

THIRTY-NINTH DAY

St. Paul, Minnesota, Tuesday, April 20, 1993

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Gary L. Langness.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 5, 394 and 582:

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 19, 1993

Mr. President:

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

House Files, herewith transmitted: H.F. Nos. 977, 1161, 1525, 129, 1095 and 1428.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 19, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 977: A bill for an act relating to retirement; Minneapolis employees retirement fund; permitting purchase of service credit by a certain member.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 825, now on General Orders.

H.F. No. 1161: A bill for an act relating to retirement; public employees retirement association; permitting payment in lieu of salary deductions to obtain service credit notwithstanding a one-year time limitation.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 833, now on General Orders.

H.F. No. 1525: A bill for an act relating to occupations and professions; abstracters; providing for certain applicants to be exempt from the bond and liability insurance requirement; amending Minnesota Statutes 1992, section 386.66.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 803, now on General Orders.

H.F. No. 129: A bill for an act relating to marriage dissolution; maintenance; applying child support enforcement actions to actions to enforce maintenance; expanding notice of rights of parties in dissolution or separation proceeding; requiring child support order to assign responsibility for child's medical coverage; clarifying visitation rights; requiring dissolution judgment or decree to provide notice about principal residence; amending Minnesota Statutes 1992, sections 214.101, subdivisions 1 and 4; 518.17, subdivision 3; 518.171, subdivision 1; 518.175, subdivision 6; 518.177; 518.55; 518.551, subdivision 12; 518.583; 518.611, subdivision 2; and 518.641, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1095: A bill for an act relating to insurance; regulating investments, assets and liabilities, and annual statements of companies; providing for continuance of coverage upon liquidation; modifying the definition of resident for purposes of the Minnesota insurance guaranty association; regulating dividends and other distributions of insurance holding company systems; regulating risk retention groups; regulating the workers' compensation assigned risk plan; enacting the NAIC model legislation; amending Minnesota Statutes 1992, sections 60A.11, subdivision 9; 60A.12, subdivision 3; 60A.13, subdivisions 1 and 6; 60A.23, subdivision 4; 60B.22, subdivision 1; 60C.03, subdivision 7; 60D.20, subdivisions 2 and 4; 60E.01; 60E.02, subdivisions 9 and 12; 60E.03; 60E.04, subdivisions 1, 2, 3, 4, 7, 8,

11, and by adding a subdivision; 60E.05; 60E.07; 60E.08; 60E.09; 60E.10; 60E.12; and 60E.13; proposing coding for new law in Minnesota Statutes, chapters 60A and 60E; repealing Minnesota Statutes 1992, sections 60A.07, subdivision 5d; 60A.12, subdivision 10; 60B.24; 60E.11; and 79.252, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1446, now on General Orders.

H.F. No. 1428: A bill for an act relating to occupations and professions; dentistry; modifying a certain exception to the licensing requirements; establishing faculty, resident dentist, and specialty licenses; modifying a certain ground for disciplinary action; amending Minnesota Statutes 1992, sections 150A.01, by adding subdivisions; 150A.05, subdivision 2; 150A.06, by adding subdivisions; and 150A.08, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1299, now on General Orders.

MOTIONS AND RESOLUTIONS

Ms. Robertson moved that the name of Mr. Mondale be added as a co-author to S.F. No. 75. The motion prevailed.

Mr. Metzen moved that the name of Mr. Mondale be added as a co-author to S.F. No. 225. The motion prevailed.

Ms. Krentz moved that the name of Mr. Mondale be added as a co-author to S.F. No. 784. The motion prevailed.

Mr. Betzold moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1175. The motion prevailed.

Mr. Johnson, D.E. moved that the name of Mr. Stevens be added as a co-author to S.F. No. 1277. The motion prevailed.

Mr. Price introduced—

Senate Resolution No. 38: A Senate resolution commemorating the sesqui-centennial of the City of Cottage Grove.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1503 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1503: A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter

611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2 and 611.20, subdivision 3.

Mr. Knutson moved to amend S.F. No. 1503 as follows:

Page 3, line 32, after "the" insert "first."

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 1503. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Larson	Oliver	Stevens
Benson, D.D.	Johnston	Lesewski	Olson	Terwilliger
Benson, J.E.	Kiscaden	McGowan	Pariseau	Wiener
Day	Knutson	Metzen	Robertson	
Dille	Laidig	Murphy	Runbeck	

Those who voted in the negative were:

Adkins	Cohen	Kelly	Morse	Rivness
Anderson	Finn	Krentz	Neuville	Sams
Beckman	Flynn	Langseth	Novak	Samuelson
Berg	Frederickson	Lessard	Pappas	Spear
Berglin	Hanson	Luther	Piper	Stumpf
Bertram	Hottinger	Marty	Pogemiller	Vickerman
Betzold	Janezich	Merriam	Price	
Chandler	Johnson, D.J.	Moe, R.D.	Ranum	
Chmielewski	Johnson, J.B.	Mondale	Reichgott	

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

Mr. Finn moved to amend S.F. No. 1503 as follows:

Page 14, line 28, delete everything after "grant" and insert "under this subdivision."

The motion prevailed. So the amendment was adopted.

S.F. No. 1503 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 64 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Laidig; Larson and Ms. Robertson voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1613 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1613: A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

Mr. Berg moved to amend S.F. No. 1613 as follows:

Page 13, delete lines 53 to 56

Page 14, delete lines 1 to 3

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 51, as follows:

Those who voted in the affirmative were:

Berg	Larson	Merriam	Neuville	Oliver
Day				

Those who voted in the negative were:

Adkins	Frederickson	Kroening	Novak	Samuelson
Anderson	Hanson	Langseth	Pappas	Solon
Beckman	Hottinger	Lesewski	Piper	Spear
Belanger	Janezich	Lessard	Pogemiller	Stumpf
Berglin	Johnson, D.E.	Luther	Price	Terwilliger
Bertram	Johnson, D.J.	Marty	Ranum	Vickerman
Betzold	Johnson, J.B.	McGowan	Reichgott	Wiener
Chandler	Johnston	Metzen	Riveness	
Cohen	Kiscaden	Moe, R.D.	Robertson	
Finn	Knutson	Mondale	Runbeck	
Flynn	Krentz	Murphy	Sams	

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

Mr. Berg then moved to amend S.F. No. 1613 as follows:

Page 12, delete lines 19 to 25

Pages 24 to 26, delete sections 10 to 13

Correct the subdivision and section totals and the summaries by fund accordingly

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Benson, D.D.	Frederickson	Larson	Oliver	Terwilliger
Berg	Johnson, D.E.	Lesewski	Robertson	
Berglin	Johnston	McGowan	Runbeck	
Day	Kiscaden	Merriam	Spear	
Flynn	Knutson	Neuville	Stevens	

Those who voted in the negative were:

Adkins	Cohen	Kroening	Novak	Samuelson
Anderson	Finn	Langseth	Pappas	Solon
Beckman	Hanson	Lessard	Piper	Stumpf
Belanger	Hottinger	Luther	Pogemiller	Vickerman
Bertram	Janezich	Marty	Price	Wiener
Betzold	Johnson, D.J.	Metzen	Raunum	
Chandler	Johnson, J.B.	Mondale	Reichgott	
Chmielewski	Krentz	Murphy	Sams	

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

Ms. Wiener moved to amend S.F. No. 1613 as follows:

Page 12, delete lines 19 to 25

Correct the subdivision and section totals and the summaries by fund accordingly

Page 25, line 13, delete "compensation,"

Page 25, line 18, delete "shall" and insert "may"

Page 25, line 22, delete "The"

Page 25, delete line 23

Page 26, after line 22, insert:

"Subd. 7. [STATE FUNDING PROHIBITED.] No state money may be appropriated to the board. The board must utilize private funds and nonstate public money to fund its activities."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Krentz	Merriam	Reichgott
Belanger	Frederickson	Langseth	Murphy	Riveness
Benson, D.D.	Hanson	Larson	Neuville	Robertson
Berg	Hottinger	Lesewski	Oliver	Runbeck
Berglin	Johnson, D.E.	Lessard	Pappas	Spear
Betzold	Johnston	Luther	Piper	Stevens
Chandler	Kiscaden	Marty	Price	Terwilliger
Day	Knutson	McGowan	Raunum	Wiener

Those who voted in the negative were:

Anderson	Cohen	Johnson, J.B.	Novak	Solon
Beckman	Finn	Kroening	Pogemiller	Vickerman
Bertram	Janezich	Metzen	Sams	
Chmielewski	Johnson, D.J.	Mondale	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 1613 as follows:

Page 4, delete section 6

Page 34, line 51, delete "18,172,000" and insert "18,372,000"

Page 36, line 9, delete "\$1,361,000" and insert "\$1,561,000"

Correct the subdivision and section totals and the summaries by fund accordingly

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Lesewski	Pariseau	Terwilliger
Benson, D.D.	Frederickson	McGowan	Price	Vickerman
Benson, J.E.	Johnston	Merriam	Robertson	Wiener
Berg	Kiscaden	Murphy	Runbeck	
Berglin	Knutson	Neuville	Spear	
Chandler	Laidig	Oliver	Stevens	
Day	Larson	Olson	Stumpf	

Those who voted in the negative were:

Adkins	Flynn	Krentz	Mondale	Riveness
Anderson	Hanson	Kroening	Morse	Sams
Bertram	Hottinger	Langseth	Novak	Samuelson
Betzold	Janezich	Lessard	Pappas	Solon
Chmielewski	Johnson, D.J.	Luther	Piper	
Cohen	Johnson, J.B.	Marty	Ranum	
Finn	Kelly	Metzen	Reichgott	

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

Mr. Berg moved to amend S.F. No. 1613, as follows:

Page 34, delete lines 45 to 49

Page 34, line 50, delete "4" and insert "3"

Pages 42 to 44, delete section 11

Correct the subdivision and section totals and the summaries by fund accordingly

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 13 and nays 44, as follows:

Those who voted in the affirmative were:

Berg	Dille	Merriam	Riveness	Stevens
Betzold	Flynn	Murphy	Robertson	
Day	McGowan	Price	Spear	

Those who voted in the negative were:

Adkins	Cohen	Kelly	Luther	Pogemiller
Anderson	Finn	Kiscaden	Marty	Ranum
Beckman	Frederickson	Knutson	Metzen	Runbeck
Belanger	Hanson	Krentz	Mondale	Sams
Benson, D.D.	Hottinger	Kroening	Neuville	Samuelson
Berglin	Janezich	Langseth	Novak	Terwilliger
Bertram	Johnson, D.J.	Larson	Oliver	Vickerman
Chandler	Johnson, J.B.	Lesewski	Pappas	Wiener
Chmielewski	Johnston	Lessard	Piper	

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

Mr. Luther moved to amend S.F. No. 1613 as follows:

Page 15, line 7, delete "personal expenses" and insert "necessary expenses in the normal performance of the governor's duties for which no other reimbursement is provided."

Page 15, delete lines 8 and 9 :

Page 15, line 11, delete "personal expenses" and insert "necessary expenses in the normal performance of the lieutenant governor's duties for which no other reimbursement is provided."

Page 15, delete lines 12 and 13

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 1613 as follows:

Page 14, after line 3, insert:

"\$100,000 the first year is for the 1995 NCAA women's final four basketball tournament."

Correct the subdivision and section totals and the summaries by fund accordingly

The motion prevailed. So the amendment was adopted.

Ms. Runbeck then moved to amend S.F. No. 1613 as follows:

Page 34, line 51, delete "18,172,000" and insert "21,226,000" and delete "11,419,000" and insert "13,722,000"

Page 35, line 57, before "\$500,000" insert "\$3,054,000 the first year and \$2,303,000 the second year is appropriated to the commissioner of jobs and training for the Minnesota youth program."

Page 47, line 14, delete everything after "(e)"

Page 47, delete lines 15 to 18

Page 47, line 19, delete "(f)"

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 51, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Johnston	Knutson	Neuville	Runbeck
Dille	Kiscaden	Larson	Oliver	Terwilliger

Those who voted in the negative were:

Adkins	Finn	Kroening	Morse	Sams
Anderson	Flynn	Langseth	Murphy	Samuelson
Beckman	Frederickson	Lesewski	Novak	Solon
Berg	Hanson	Lessard	Pappas	Spear
Berglin	Hottinger	Luther	Piper	Stumpf
Bertram	Janezich	Marty	Pogemiller	Vickerman
Betzold	Johnson, D.E.	McGowan	Price	Wiener
Chandler	Johnson, D.J.	Merriam	Ranum	
Chmielewski	Johnson, J.B.	Metzen	Reichgott	
Cohen	Kelly	Moe, R.D.	Riveness	
Day	Krentz	Mondale	Robertson	

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

S.F. No. 1613 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Robertson voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 163 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 163: A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports by certain solicitors of campaign contributions; limiting use of contributions

carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public subsidy to match in-district contributions; clarifying filing requirements for candidate agreements and the duration of the agreements; requiring return of public subsidies under certain conditions; imposing contribution limits on candidates for local offices; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring a report of candidates on whose behalf political contributions have been refunded by the state; defining certain terms; clarifying certain language; appropriating money; amending Minnesota Statutes 1992, sections 10A.01, subdivision 10c, and by adding a subdivision; 10A.04, by adding a subdivision; 10A.065, subdivision 1; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.19, subdivision 1; 10A.20, subdivision 3, and by adding a subdivision; 10A.25, by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.31, subdivisions 6, 8, and by adding a subdivision; 10A.322, subdivisions 1 and 2; 10A.324, subdivisions 1 and 3; 211B.15; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; 211A; and 211B.

Mr. Luther moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 26, after line 36, insert:

"Sec. 41. Minnesota Statutes 1992, section 204B.36, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL CANDIDATES.] The official ballot shall contain the names of all candidates for each judicial office and shall state the number of those candidates for whom a voter may vote. *Each seat for an associate justice, associate judge, or judge of the district court must be numbered.* The title of each judicial office shall be printed on the official primary and general election ballot as follows:

(a) In the case of the supreme court:

"Chief justice (or associate justice) - supreme court (last name of incumbent) seat";

"Associate justice (number) - supreme court"

(b) In the case of the court of appeals:

"Judge (number) - court of appeals (last name of incumbent) seat"; or

(c) In the case of the district court:

"Judge (number) - (number) district court (last name of incumbent) seat";

or

(d) In the case of the county court:

"Judge - (number) county court (last name of incumbent) seat.""

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 34, delete lines 12 to 14 and insert:

“(b) *Public Subsidies under Minnesota Statutes, section 10A.25, subdivision 10* 100,000

This appropriation is available until June 30, 1995.

(c) *Public Subsidies under Minnesota Statutes, section 10A.25, subdivision 11* 100,000”

Page 34, line 17, delete “(c)” and insert “(d)”

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 15, line 19, after the headnote, insert “*A candidate may not solicit or accept a contribution made or delivered by a lobbyist.*”

Page 15, line 21, delete “*lobbyist,*”

Page 15, line 22, delete the first comma

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Johnson, D.E. imposed a call of the Senate for the balance of the proceedings on H.F. No. 163. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Johnson, D.E. moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 2, after line 4, insert:

“ARTICLE 1”

Page 34, line 38, delete “*act*” and insert “*article*”

Page 34, after line 38, insert:

“ARTICLE 2

Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution, article IV, section 4, and article V, sections 2 and 4, is proposed to the people.

If the amendment is adopted, article IV, section 4, will read:

Sec. 4. Representatives shall be chosen for a term of two years, except to fill a vacancy. Senators shall be chosen for a term of four years, except to fill a vacancy and except there shall be an entire new election of all the senators at the first election of representatives after each new legislative apportionment

provided for in this article. *No person may file to be a candidate for election to a term that would cause the person to serve more than ten consecutive years in the legislature.* The governor shall call elections to fill vacancies in either house of the legislature.

article V, section 2, will read:

Sec. 2. The term of office for the governor and lieutenant governor is four years and until a successor is chosen and qualified. *No person may file to be a candidate for election to a third consecutive term as governor or to a third consecutive term as lieutenant governor.* Each shall have attained the age of 25 years and, shall have been a bona fide resident of the state for one year next preceding his election, and shall be a citizen of the United States.

and article V, section 4, will read:

Sec. 4. The term of office of the secretary of state, treasurer, attorney general and state auditor is four years and until a successor is chosen and qualified. *No person may file to be a candidate for election to a third consecutive term in one of the offices of secretary of state, state treasurer, attorney general, or state auditor.* The duties and salaries of the executive officers shall be prescribed by law.

Sec. 2. [SCHEDULE AND QUESTION.]

The amendment shall be submitted to the people at the 1994 general election.

Terms served pursuant to elections in 1994 or prior years shall be disregarded in the determination of the limits imposed by the amendment. The question submitted to the people shall be:

“Shall the Minnesota Constitution be amended to place limits on the terms of office of state legislators and executive officers?”

Yes
No”

Amend the title accordingly

Mr. Marty questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Johnson, D.E. appealed the decision of the President.

The question was taken on “Shall the decision of the President be the judgement of the Senate?”

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

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Krentz	Murphy	Sams
Anderson	Finn	Kroening	Novak	Samuelson
Beckman	Flynn	Langseth	Pappas	Solon
Berg	Hanson	Lessard	Piper	Spear
Berghin	Hottinger	Luther	Pogemiller	Stumpf
Bertram	Janezich	Marty	Price	Vickerman
Betzold	Johnson, D.J.	Merriam	Ranum	Wiener
Chandler	Johnson, J.B.	Metzen	Reichgott	
Chmielewski	Kelly	Mondale	Riveness	

Those who voted in the negative were:

Belanger	Frederickson	Laidig	Oliver	Stevens
Benson, D.D.	Johnson, D.E.	Larson	Olson	Terwilliger
Benson, J.E.	Johnston	Lesewski	Pariseau	
Day	Kiscaden	McGowan	Robertson	
Dille	Knutson	Neuville	Runbeck	

So the decision of the President was sustained.

Mr. Bertram moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 10, delete section 15

Page 13, delete section 20

Pages 27 and 28, delete section 42

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 10, delete section 15

Pages 27 and 28, delete section 42

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 13, delete section 20

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

The roll was called, and there were yeas 23 and nays 43, as follows:

Those who voted in the affirmative were:

Adkins	Day	Langseth	Novak	Stumpf
Beckman	Hanson	Larson	Sams	Terwilliger
Benson, J.E.	Johnston	Lessard	Samuelson	Vickerman
Bertram	Knutson	Metzen	Solon	
Chmielewski	Kroening	Neuville	Stevens	

Those who voted in the negative were:

Anderson	Finn	Kiscaden	Morse	Ranum
Belanger	Flynn	Krentz	Murphy	Reichgott
Benson, D.D.	Frederickson	Laidig	Oliver	Rivness
Berg	Hottinger	Lesewski	Olson	Robertson
Berglin	Janezich	Luther	Pappas	Runbeck
Betzold	Johnson, D.E.	Marty	Pariseau	Spear
Chandler	Johnson, D.J.	McGowan	Piper	Wiener
Cohen	Johnson, J.B.	Merriam	Pogemiller	
Dille	Kelly	Mondale	Price	

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

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

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Adkins	Day	Langseth	Metzen	Solon
Beckman	Hanson	Larson	Neuville	Stevens
Benson, J.E.	Johnston	Lesewski	Novak	Stumpf
Bertram	Knutson	Lessard	Robertson	Vickerman
Chandler	Kroening	Luther	Sams	
Chmielewski	Laidig	Merriam	Samuelson	

Those who voted in the negative were:

Anderson	Finn	Kelly	Oliver	Reichgott
Belanger	Flynn	Kiscaden	Olson	Riveness
Benson, D.D.	Frederickson	Krentz	Pappas	Runbeck
Berg	Hottinger	Marty	Pariseau	Spear
Berglin	Janezich	McGowan	Piper	Terwilliger
Betzold	Johnson, D.E.	Mondale	Pogemiller	Wiener
Cohen	Johnson, D.J.	Morse	Price	
Dille	Johnson, J.B.	Murphy	Ranum	

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

Mr. Mondale moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 31, delete lines 27 to 33

Page 31, line 34, delete "16" and insert "15"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 49 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Krentz	Mondale	Riveness
Anderson	Flynn	Kroening	Morse	Runbeck
Beckman	Frederickson	Laidig	Murphy	Sams
Berg	Hanson	Lesewski	Novak	Samuelson
Berglin	Hottinger	Lessard	Pappas	Solon
Bertram	Janezich	Luther	Piper	Spear
Betzold	Johnson, D.J.	Marty	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Merriam	Price	Vickerman
Chmielewski	Kelly	Metzen	Ranum	Wiener
Cohen	Knutson	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Dille	Larson	Olson	Terwilliger
Benson, D.D.	Johnson, D.E.	McGowan	Pariseau	
Benson, J.E.	Johnston	Neuville	Robertson	
Day	Kiscaden	Oliver	Stevens	

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 34, after line 33, insert:

“Sec. 48. [VETO.]

The governor is respectfully reminded that in order to veto this bill, he must return it to the house of representatives with his objections within three days after it was presented to him.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Kelly moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 15, delete section 25

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 3 and nays 62, as follows:

Messrs. Dille, Kelly and Ms. Pappas voted in the affirmative.

Those who voted in the negative were:

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

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

Mr. Pogemiller moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 21, line 29, delete “and” and insert:

“(5) has been nominated to appear on the ballot in the general election; and”

Page 29, line 30, delete “(5)” and insert “(6)”

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 29, delete lines 4 and 5

Page 29, line 6, delete “(3)” and insert “(2)”

Page 29, line 10, delete “(4)” and insert “(3)”

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 163, the unofficial engrossment, as follows:

Page 31, delete line 36

Page 32, delete line 1

Re-number the clauses in sequence

The motion prevailed. So the amendment was adopted.

H.F. No. 163 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 43 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Morse	Riveness
Beckman	Flynn	Langseth	Murphy	Sams
Berg	Hanson	Lessard	Novak	Solon
Berglin	Hottinger	Luther	Pappas	Spear
Bertram	Janezich	Marty	Piper	Stumpf
Betzold	Johnson, D.J.	Merriam	Pogemiller	Vickerman
Chandler	Johnson, J.B.	Metzen	Price	Wiener
Chmielewski	Kelly	Moe, R.D.	Ranum	
Cohen	Krentz	Mondale	Reichgott	

Those who voted in the negative were:

Adkins	Dille	Knutson	Neuville	Runbeck
Belanger	Frederickson	Laidig	Oliver	Samuelson
Benson, D.D.	Johnson, D.E.	Larson	Olson	Stevens
Benson, J.E.	Johnston	Lesewski	Pariseau	Terwilliger
Day	Kiscaden	McGowan	Robertson	

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

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

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. 1363. The motion prevailed.

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

S.F. No. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; establishing food handling reinspection fees; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5;

17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 28A.08; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.10; 160.265; 168.013, by adding a subdivision; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 88; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

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

Page 2, line 10, delete "\$144,780,000" and insert "\$144,837,000" and delete "\$141,517,000" and insert "\$141,574,000" and delete "\$286,417,000" and insert "\$286,531,000"

Page 2, line 11, delete "26,172,000" and insert "25,948,000" and delete "26,432,000" and insert "26,208,000" and delete "52,604,000" and insert "52,156,000"

Page 2, line 22, delete "292,008,000" and insert "291,841,000" and delete "247,075,000" and insert "246,908,000" and delete "539,323,000" and insert "538,989,000"

Page 2, line 30, delete "35,165,000" and insert "34,941,000" and delete "33,138,000" and insert "32,914,000"

Page 2, line 33, delete "24,635,000" and insert "24,411,000" and delete "24,965,000" and insert "24,741,000"

Page 4, line 46, delete "6,228,000" and insert "6,004,000" and delete "6,520,000" and insert "6,296,000"

Page 4, line 49, delete "4,858,000" and insert "4,634,000" and delete "5,150,000" and insert "4,926,000"

Page 7, line 1, delete everything after "year"

Page 7, delete line 2

Page 7, line 3, delete "89.04."

Page 12, line 35, delete "21,859,000" and insert "21,916,000" and delete "21,762,000" and insert "21,819,000"

Page 12, line 37, delete "12,126,000" and insert "12,183,000" and delete "11,994,000" and insert "12,051,000"

Page 12, line 44, delete "15,309,000" and insert "15,366,000" and delete "15,344,000" and insert "15,401,000"

Page 12, line 46, delete "5,759,000" and insert "5,816,000" in both places

Page 59, line 8, delete everything after "system"

Page 59, line 9, delete "obtained and" and insert ", if the publicly owned treatment works or on-site treatment system"

Page 59, line 11, delete "from" and insert "issued by"

Page 67, delete section 71

Page 69, lines 2 and 3, delete "79" and insert "78"

Page 70, line 23, delete "72" and insert "71"

Page 70, line 24, delete "78" and insert "77"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 31, delete "168.013, by adding a subdivision;"

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

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

H.F. No. 836: A bill for an act relating to game and fish; sale of licenses through subagents; taking deer of either sex by residents under the age of 16; amending Minnesota Statutes 1992, section 97A.485, subdivision 4.

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

Page 1, after line 15, insert:

"Sec. 2. Minnesota Statutes 1992, section 97B.301, is amended by adding a subdivision to read:

Subd. 6. [RESIDENTS UNDER AGE 16 MAY TAKE DEER OF EITHER SEX.] (a) A resident under the age of 16 may take a deer of either sex. This subdivision does not authorize the taking of an antlerless deer by another member of a party under subdivision 3.

(b) This subdivision is repealed effective December 31, 1995."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "taking deer of either sex by residents under the age of 16;" and delete "section" and insert "sections"

Page 1, line 4, before the period, insert "; and 97B.301, by adding a subdivision"

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

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

S.F. No. 1363: A bill for an act relating to natural resources; amending requirements to replace wetlands; adding exemptions; increasing wetland acreage in certain counties; extending interim rules; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; and 103G.2369, subdivision 2, and by adding a subdivision; Laws 1991, chapter 354, article 7, section 2; proposing coding for new law in Minnesota Statutes, chapter 103G.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

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

(b) Replacement must be guided by the following principles in descending order of priority:

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

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

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

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

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

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

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

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement

wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

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

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

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

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

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

Sec. 2. Minnesota Statutes 1992, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

~~Subdivision 1. [EXEMPTIONS.]~~ (a) Subject to the conditions in paragraph (b), a replacement plan for wetlands is not required for:

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

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

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

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

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

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

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

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

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

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

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

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

(i) beaver dam construction;

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

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

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

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

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

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

(12) activities associated with routine maintenance of utility and pipeline

rights-of-way, provided the activities do not result in additional intrusion into the wetland;

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

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

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

(16) activities associated with routine maintenance or repair of existing public highways, roads, streets, and bridges, provided the activities do not result in additional intrusion into the wetland and do not result in the draining or filling, wholly or partially, of a wetland outside of the existing right-of-way;

(17) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland;

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

(19) duck blinds;

(20) aquaculture activities, except building or altering of docks and activities involving the draining or filling, wholly or partially, of a wetland including pond excavation and associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including buildings;

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

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

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food, Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is

eligible for easement participation for those acres not already compensated under a federal program;

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

(25) activities that result in the draining or filling of less than 400 square feet of wetlands.

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

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

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

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

Sec. 3. Minnesota Statutes 1992, section 103G.2242, subdivision 2, is amended to read:

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

Sec. 4. Minnesota Statutes 1992, section 103G.2369, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED ACTIVITIES.] (a) Except as provided in subdivision 3, until July 1, 1993, a person may not drain, burn, or fill a wetland.

(b) Except as provided in subdivision 3, until July 1, 1993, a state agency or local unit of government may not issue a permit for an activity prohibited in paragraph (a) or for an activity that would include an activity prohibited in paragraph (a).

Sec. 5. Minnesota Statutes 1992, section 103G.2369, is amended by adding a subdivision to read:

Subd. 4a. [ELECTION BY LOCAL GOVERNMENT UNIT.] Notwithstanding subdivision 2 and sections 103G.222 and 103G.2242, a local

government unit may elect to operate under this section after July 1, 1993, but not beyond December 31, 1993.

Sec. 6. Laws 1991, chapter 354, article 7, section 2, is amended to read:

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1992, and is repealed July January 1, 1993 1994."

Delete the title and insert:

'A bill for an act relating to natural resources; amending requirements relating to replacement of wetlands; modifying exemptions; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivision 2; and 103G.2369, subdivision 2, and by adding a subdivision; Laws 1991, chapter 354, article 7, section 2.'

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 848: A bill for an act relating to natural resources; mineral leasing; environmental research and protection; exploratory mineral borings and data; lean ore stockpile removal; amending Minnesota Statutes 1992, sections 92.50, subdivision 1; 93.001; 93.002, subdivisions 1 and 3; 93.25; 93.46, by adding a subdivision; 93.481, subdivisions 1 and 2; 103I.113; 103I.601, subdivision 1; 103I.605, subdivision 4; and 282.04, subdivision 1.

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

Page 9, lines 9 and 18, strike "is" and insert "are"

Page 9, line 21, strike "thereafter" and insert "after that time"

Page 9, delete lines 31 and 32 and insert:

"(c) Upon the written request of the explorer, data submitted under paragraph (a) are nonpublic data until 180 days"

Page 10, line 10, delete "thereafter" and insert "after that time"

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

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

S.F. No. 674: A bill for an act relating to civil actions; providing for stay of a bond required of plaintiffs in certain actions against a public body; amending Minnesota Statutes 1992, section 562.02.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 562.02, is amended to read:

562.02 [CIVIL ACTIONS AFFECTING A PUBLIC BODY; SURETY BOND REQUIRED OF PLAINTIFF.]

Whenever any action at law or in equity is brought in any court in this state questioning directly or indirectly the existence of any condition or thing precedent to, or the validity of any action taken or proposed to be taken, by any public body or its officers or agents in the course of the authorization or sale, issuance or delivery of bonds, the making of a contract for public improvement or the validity of any proceeding to alter the organization of a school district in any manner, such public body may move the court for an order requiring the party, or parties, bringing such action to file a surety bond as hereinafter set forth. Three days' written notice of such motion shall be given. If the public body is not a party to the action, but if it deems that such action be injurious to the public interest and to the taxpayers, such public body may intervene or appear specially for the purpose of making such motion. If the court determines that loss or damage to the public or taxpayers may result from the pendency of the action or proceeding, the court may require such party, or parties, to file a surety bond, which shall be approved by the court, in such amount as the court may determine. *The court must also consider whether the action presents substantial constitutional issues or substantial issues of statutory construction, and the likelihood of a party prevailing on these issues, when determining the amount of a bond and whether a bond should be required under this section or section 473.675.* Such bond shall be conditioned for payment to the public body of any loss or damage which may be caused to the public body or taxpayers by such delay, to the extent of the penal sum of such bond, if such party, or parties, shall not prevail therein. If such surety bond is not filed within a reasonable time allowed therefor by the court, the action shall be dismissed with prejudice. If such party, or parties, file a bond as herein required and prevail in the action, any premium paid on the bond shall be repaid by or taxed against the public body.

Sec. 2. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective August 1, 1993, and applies to orders entered under Minnesota Statutes, section 562.02, on and after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; regulating the posting of a bond required of plaintiffs in certain actions against a public body; amending Minnesota Statutes 1992, section 562.02."

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

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

S.F. No. 741: A bill for an act relating to civil actions; authorizing appeals from the decisions of civil service commissions by both cities and their employees on the same basis and to the same extent; amending Minnesota Statutes 1992, section 480A.06, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 484.01, is amended to read:

484.01 [JURISDICTION.]

Subdivision 1. [GENERAL.] The district courts shall have original jurisdiction in all civil actions within their respective districts, in all cases of crime committed or triable therein, in all special proceedings not exclusively cognizable by some other court or tribunal, and in all other cases wherein such jurisdiction is especially conferred upon them by law. They shall also have appellate jurisdiction in every case in which an appeal thereto is allowed by law from any other court, officer, or body.

Subd. 2. [CIVIL SERVICE REVIEWS.] Notwithstanding any law to the contrary, the district court has jurisdiction to review a final decision or order of a civil service commission or board upon the petition of an employee or appointing authority in any first-class city. The employee and appointing authority have standing to seek judicial review in all these cases. Review of the decision or order may be had by securing issuance of a writ of certiorari within 60 days after the date of mailing notice of the decision to the party applying for the writ. To the extent possible, the provisions of rules 110, 111, and 115 of the Rules of Civil Appellate Procedure govern the procedures to be followed. Each reference in those rules to the court of appeals, the trial court, the trial court administrator, and the notice of appeal must be read, where appropriate, as a reference to the district court, the body whose decision is to be reviewed, to the administrator, clerk, or secretary of that body, and to the writ of certiorari, respectively. This subdivision does not alter or amend the application of sections 197.455 and 197.46, relating to veterans preference.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to civil actions; authorizing appeals from the decisions of civil service commissions by first-class cities and their employees on the same basis and to the same extent; amending Minnesota Statutes 1992, section 484.01."

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

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

H.F. No. 889: A bill for an act relating to economic development; clarifying provisions relating to the department of trade and economic development; clarifying the duties of the commissioner; amending Minnesota Statutes 1992, sections 17.49, subdivision 1; 18.024, subdivision 1; 86.72, subdivision 3; 86A.06; 86A.09, subdivisions 1, 2, 3, and 4; 92.35; 92.36; 103F.135, subdivision 1; 116J.01, by adding a subdivision; 116J.402; 116J.58, subdivision 1; 116J.61; 116J.68, subdivision 2; 116J.873, subdivisions 3 and 4; 116J.966, subdivision 1; 116J.980, subdivisions 1 and 2; 137.31, subdivision 6; 138.93, subdivision 4; 144.95, subdivision 7; 173.17; 216B.242; 216C.37, subdivision 1; 299A.01, subdivision 2; 446A.03, subdivision 1; 446A.10, subdivision 2; 473.857, subdivision 2; 473H.06, subdivision 5; and 641.24; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1992, sections 84.54; 86A.10; 116J.01; subdivision 3; 116J.615, subdivision 2; 116J.645; 116J.661; 116J.982; 116J.983; 116J.984;

301A.01; 301A.02; 301A.03; 301A.04; 301A.05; 301A.06; 301A.07; 301A.08; 301A.09; 301A.10; 301A.11; 301A.12; 301A.13; and 301A.14.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. Minnesota Statutes 1992, section 17.49, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program of aquaculture in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, ~~the commissioner of trade and economic development~~, representatives of the private aquaculture industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Sec. 2. Minnesota Statutes 1992, section 18.024, subdivision 1, is amended to read:

Subdivision 1. [WOOD UTILIZATION.] The departments of agriculture and natural resources, after consultation with the Minnesota shade tree advisory committee and the ~~commissioners~~ commissioner of public service, ~~and trade and economic development~~, shall investigate, evaluate, and make recommendations to the legislature concerning the potential uses of wood from community trees removed due to disease or other disorders. These recommendations shall include maximum resource recovery through recycling, use as an alternative energy source, or use in construction or the manufacture of new products. Wood utilization or disposal systems as defined in section 18.023 must be included to ensure maximum utilization of diseased shade trees with designs and procedures to ensure public safety and to assure compliance with approved disease control programs.

Sec. 3. Minnesota Statutes 1992, section 86.72, subdivision 3, is amended to read:

Subd. 3. Requests for allocation from the account for acquisition or development shall be accompanied by a certificate signed jointly by the ~~commissioner of trade and economic development and~~ commissioner of natural resources, showing a review of the application against chapter 86A. Copies of the certification shall be submitted to the appropriate legislative committees and commissions. Appropriations from the account shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures:

Sec. 4. Minnesota Statutes 1992, section 86A.06, is amended to read:

86A.06 [RULES.]

Each managing agency, ~~in consultation with the commissioner of trade and economic development~~, shall promulgate rules relating to the units of the outdoor recreation system within its jurisdiction, which shall provide for

administration of the units in the manner specified in section 86A.05 and the laws relating to each type of unit.

Sec. 5. Minnesota Statutes 1992, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. [MASTER PLAN REQUIRED.] No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of ~~trade and economic development~~ *natural resources* and the commissioner of ~~trade and economic development~~ has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not have resident managers, for water access sites, for aquatic management areas, or for rest areas.

Sec. 6. Minnesota Statutes 1992, section 86A.09, subdivision 2, is amended to read:

Subd. 2. [MASTER PLAN; PREPARATION AND CONTENT.] The managing agency shall supervise preparation of the master plan and shall utilize the professional staffs of any agency of the state when the expertise of the staff of such agency is necessary to adequately prepare the master plan; the master plan shall present the information in a format and detail that is appropriate to the size and complexity of the authorized unit. When the master plan has been completed the managing agency shall announce to the public in a manner reasonably designed to inform interested persons that the master plan is available for public review and in the case of any major unit shall hold at least one public hearing on the plan in the vicinity of the unit. The managing agency shall make the master plan available for review and comment by the public and other state agencies for at least 30 days following the announcement and before submitting the master plan to the commissioner of ~~trade and economic development~~ *natural resources*. Copies of the plan shall be provided to members of the outdoor recreation advisory council and to any other person on request.

Sec. 7. Minnesota Statutes 1992, section 86A.09, subdivision 3, is amended to read:

Subd. 3. [MASTER PLAN; REVIEW AND APPROVAL.] All master plans required by this section shall be submitted to the commissioner of ~~trade and economic development~~ *natural resources* for review pursuant to this subdivision. The commissioner of ~~trade and economic development~~ *natural resources* shall review the master plan to determine whether the plan: (a) provides for administration of the unit in a manner that is consistent with the purposes for which the unit was authorized and with the principals governing the administration of the unit, as specified in section 86A.05 and the statutes relating to each type of unit; (b) recognizes values and resources within the unit that are primarily the responsibility of another managing agency to protect or develop, and provides for their protection or development either through a cooperative agreement with the other managing agency or through designation of the appropriate area as a secondary unit. In reviewing any master plan, the commissioner of ~~trade and economic development~~ *natural resources* shall consult with other state agencies. Within 60 days after receiving the master plan, the commissioner of ~~trade and economic development~~ *natural resources* shall notify the managing agency that the plan has been reviewed and forward its recommendations for any changes it might

suggest. The managing agency shall review the recommendations and notify the commissioner of ~~trade and economic development~~ *natural resources* of the disposition made of them. Failure to comment on a master plan within the time specified shall be considered approval of the plan by the commissioner of ~~trade and economic development~~ *natural resources*. If the ~~director of the~~ commissioner of ~~trade and economic development~~ *natural resources* feels that the master plan still fails significantly to comply with this subdivision, the commissioner may request review of the master plan by the governor. In that event review shall not be deemed completed until after the master plan has been approved by the governor or 60 days have elapsed without action by the governor to approve or reject the plan, whichever occurs first.

Sec. 8. Minnesota Statutes 1992, section 86A.09, subdivision 4, is amended to read:

Subd. 4. [DEVELOPMENT.] Construction of necessary facilities and other development of the unit shall commence as soon as practicable after review of the master plan by the commissioner of ~~trade and economic development~~ *natural resources*, and the governor if requested, and shall be carried out in conformity with the master plan.

Sec. 9. Minnesota Statutes 1992, section 92.35, is amended to read:

92.35 [DUTIES AND POWERS.]

The commissioner of ~~trade and economic development~~ *natural resources* must classify all public and private lands in the state by the use to which the lands are adapted, but principally as to adaptability to present known uses, such as agriculture and forestry. This classification must be based on consideration of the known physical and economic factors affecting use of the land. The commissioner must consult private, state, and federal agencies concerned with land use. The commissioner may appoint advisory committees of residents of the state concerned with and interested in land use. The advisory committees shall serve without pay, at the pleasure of the commissioner. The advisory committee must consider and report on land use problems submitted by the commissioner. The classification must be done first in the counties having land classification committees. In determining the land classification, the commissioner must consult and cooperate with the land classification committee. The determination of the land classification committee is final.

Sec. 10. Minnesota Statutes 1992, section 92.36, is amended to read:

92.36 [LANDS CLASSIFIED.]

Upon the basis of all of the facts concerning land use now obtainable and as provided in sections 92.34 to 92.37 the commissioner of ~~trade and economic development~~ *natural resources* shall temporarily classify land areas with reference to the known uses to which the areas are adapted or adaptable. A certified copy of the temporary classification, together with a brief statement of the reasons for it, must be recorded in the office of the county recorder in each county containing the lands classified. No fees need be paid for this recording. After the temporary classification has been adopted by the commissioner, none of the lands classified as nonagricultural may be sold or leased by the state for agricultural purposes.

Sec. 11. Minnesota Statutes 1992, section 103F.135, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S DUTIES.] The commissioner shall:

- (1) collect and distribute information relating to flooding and floodplain management;
- (2) coordinate local, state, and federal floodplain management activities to the greatest extent possible, and encourage the United States Army Corps of Engineers and the United States Soil Conservation Service to make their flood control planning data available to local governmental units for planning purposes, to allow adequate local participation in the planning process and in the selection of desirable alternatives;
- (3) assist local governmental units in their floodplain management activities ~~in cooperation with the commissioner of trade and economic development;~~ and
- (4) do all other things, within lawful authority, that are necessary or desirable to manage the floodplain for beneficial uses compatible with the preservation of the capacity of the floodplain to carry and discharge the regional flood.

Sec. 12. Minnesota Statutes 1992, section 116J.01, is amended by adding a subdivision to read:

Subd. 5. [DEPARTMENTAL ORGANIZATION.] (a) The commissioner shall organize the department as provided in section 15.06.

(b) The commissioner may establish divisions and offices within the department. The commissioner may employ three deputy commissioners in the unclassified service. One deputy must direct the Minnesota trade office and must be experienced and knowledgeable in matters of international trade. One deputy must be the director of the office of tourism.

(c) The commissioner shall:

(1) employ assistants and other officers, employees, and agents that the commissioner considers necessary to discharge the functions of the commissioner's office;

(2) define the duties of the officers, employees, and agents, and delegate to them any of the commissioner's powers, duties, and responsibilities, subject to the commissioner's control and under conditions prescribed by the commissioner.

Sec. 13. [116J.011] [MISSION.]

The mission of the department of trade and economic development is to employ all of the available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average and to increase nonresident and resident tourism revenues.

Sec. 14. Minnesota Statutes 1992, section 116J.402, is amended to read:

116J.402 [COOPERATIVE CONTRACTS.]

The commissioner of trade and economic development may apply for, receive, and spend money for community development from municipal, county, regional, and other planning agencies. The commissioner may also apply for, accept, and disburse grants and other aids for community development and related planning from the federal government and other

sources. The commissioner may enter into contracts with agencies of the federal government, local governmental units, regional development commissions, and the metropolitan council, other state agencies, the University of Minnesota, and other educational institutions, and private persons as necessary to perform the commissioner's duties. Contracts made according to this section, except those with private persons, are not subject to the provisions of chapter 16 concerning competitive bidding.

The commissioner may apply for, receive, and spend money made available from federal sources or other sources for the purposes of carrying out the duties and responsibilities of the commissioner relating to community development.

Money received by the commissioner under this section must be deposited in the state treasury and is appropriated to the commissioner for the purposes for which the money has been received. The money does not cancel and is available until spent.

Sec. 15. Minnesota Statutes 1992, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states *and provinces* and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring *provinces*, states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

(15) publish documents and annually convene regional meetings to inform businesses, local government units, assistance providers, and other interested persons of changes in state and federal law related to economic development; ~~and~~

(16) annually convene conferences of providers of economic development related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic development activities, and formulating economic development strategies; *and*

(17) *provide business with information on the economic benefits of energy conservation and on the availability of energy conservation assistance.*

Sec. 16. Minnesota Statutes 1992, section 116J.61, is amended to read:

116J.61 [ADDITIONAL POWERS AND DUTIES.]

The commissioner shall:

(1) have control of the work of carrying on a continuous program of education for business people;

(2) publish, disseminate, and distribute information and statistics;

(3) promote and encourage the expansion and development of markets for Minnesota products;

(4) promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(5) advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

(6) aid the various communities in this state in ~~getting~~ attracting business to locate therein;

(7) advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of statewide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state. The commissioner shall not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The commissioner is authorized to receive and expend money from municipal, county, regional and other planning agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so received for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state appropriated money, and may enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner. The commissioner may assist any local government unit in filling out application forms for the federal grants-in-aid. In furtherance of their planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons; and

(8) adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute

copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63.

Sec. 17. Minnesota Statutes 1992, section 116J.68, subdivision 2, is amended to read:

Subd. 2. The bureau shall:

(a) provide information and assistance with respect to all aspects of business planning and business management related to the start-up, operation, or expansion of a small business in Minnesota;

(b) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, private industry associations, and other organizations or to the business assistance referral system established by the Minnesota Project Outreach Corporation;

(c) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

(d) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

(e) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

(f) maintain a close and continued relationship with the director of the procurement program within the department of administration so as to facilitate the department's duties and responsibilities under sections 16B.19 to 16B.22 relating to the small targeted group business and economically disadvantaged business program of the state;

(g) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

(h) establish and maintain a toll free telephone number so that all small business persons anywhere in the state can call the bureau office for assistance. An outreach program shall be established to make the existence of the bureau well known to its potential clientele throughout the state. If the small business person requires a referral to another provider the bureau may use the business assistance referral system established by the Minnesota Project Outreach Corporation;

(i) conduct research and provide data as required by the state legislature;

(j) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

(k) collect and disseminate information on state procurement opportunities, including information on the procurement process;

(l) develop a public awareness program through the use of newsletters, personal contacts, and electronic and print news media advertising about state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons;

(m) publicize to small businesses section 14.115 which requires consideration of small business issues in state agency rulemaking;

(n) enter into agreements with the federal government and other public and private entities to serve as the statewide coordinator or host agency for the federal small business development center program under United States Code, title 15, section 648; and

(o) establish an evaluation mechanism to determine if assistance providers have adequate expertise and resources to deliver quality services. Evaluation of assistance providers may be based on the ability of the provider to offer the advertised service, the training and experience of the provider, and the formal evaluation process used by the provider. The evaluation mechanism must be designed so that the business assistance referral system established by the Minnesota Project Outreach Corporation may use the results of the evaluation in providing clients with referrals to providers; and

(p) assist providers in the evaluation of their programs and the assessment of their service area needs. The bureau may establish model evaluation techniques and performance standards for providers to use.

Sec. 18. Minnesota Statutes 1992, section 116J.873, subdivision 3, is amended to read:

Subd. 3. [GRANT EVALUATION.] The ~~division of community development in the department~~ commissioner shall accept, review, and evaluate applications for grants to local units of government made in accordance with rules adopted for economic development grants in the small cities development program. Applications recommended for funding, including recommended grant awards, shall be submitted by the division to the commissioner for approval.

Sec. 19. Minnesota Statutes 1992, section 116J.873, subdivision 4, is amended to read:

Subd. 4. [GRANT LIMITS.] An economic recovery grant may not be approved for an amount over \$500,000. ~~The division may recommend less funding than requested if, in the opinion of the division, the amount requested is more than is necessary to meet the applicant's needs.~~ If the amount of the grant is reduced less than \$500,000, the reasons for the reduction shall be given to the applicant. The portion of an economic recovery grant that exceeds \$100,000 must be repaid to the state when it is repaid to the local community or recognized Indian tribal government by the person or entity to which it was loaned by the local community or Indian tribal government. Money repaid to the state must be credited to the general fund.

Sec. 20. Minnesota Statutes 1992, section 116J.966, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In

furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at domestic and international trade shows;

(4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign *direct* investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services; *and*

(11) undertake activities to support the world trade center; and

~~(12)~~ enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to sections 16B.07 and 16B.09.

(b) The programs and activities of the commissioner of trade and economic development and the Minnesota trade division may not duplicate programs and activities of the commissioner of agriculture or the Minnesota world trade center corporation.

(c) The commissioner shall notify the chairs of the senate finance and house appropriations committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

Sec. 21. Minnesota Statutes 1992, section 116J.980, subdivision 1, is amended to read:

Subdivision 1. [DUTIES.] The ~~community development division~~ is a ~~division within the~~ department of trade and economic development. It shall:

(1) be responsible for administering all state community development and assistance programs, including the economic recovery account, the outdoor recreation grant program, the rural development board programs, ~~the community development corporation program, the urban revitalization program,~~ the Minnesota public facilities authority loan and grant programs, and the enterprise zone program;

(2) be responsible for state administration of federally funded community development and assistance programs, including the small cities development grant program and land and water conservation program;

(3) provide technical assistance to rural communities for community development in cooperation with regional development commissions;

(4) coordinate the development and review of state rural development policies;

(5) provide staff and consultant services to the rural development board; and

(6) be responsible for coordinating community assistance and development programs in cooperation with regional development commissions.

Sec. 22. Minnesota Statutes 1992, section 116J.980, subdivision 2, is amended to read:

Subd. 2. [GENERAL COMPLEMENT AUTHORITY.] The ~~community development division~~ ~~department~~ may combine all related state and federal complement positions into general fund positions, to carry out the responsibilities under subdivision 1. The number of general fund positions must not exceed the aggregate number of all state and federal positions that are to be combined. Records of the actual number of employee hours charged to each state and federal account must be maintained for each general fund position.

Sec. 23. Minnesota Statutes 1992, section 137.31, subdivision 6, is amended to read:

Subd. 6. [ANNUAL REPORT.] The University of Minnesota shall submit an annual report as provided in section 3.195, to the governor and the legislature, with a copy to the commissioner of ~~trade and economic development administration~~, indicating the progress being made toward the objectives and goals of this section. The report shall include the following information:

(a) the total dollar value and number of procurement contracts identified and set aside during this period and the percentage of total value of university procurements that this figure reflects;

(b) the number of small businesses identified by and responding to the university set-aside program, the total dollar value and number of procurement contracts actually awarded to small businesses with appropriate designation as to the total number and value of procurement contracts awarded to each small business, and the total number of small businesses that were awarded procurement contracts; and

(c) the number of procurement contracts which were designated and set aside pursuant to this section but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to regular procurement procedures.

Sec. 24. Minnesota Statutes 1992, section 138.93, subdivision 4, is amended to read:

Subd. 4. [MASTER PLANS.] The owner shall prepare and submit to the regional planning commission a master plan for the development and management of the center, in a format and detail appropriate for the project. The regional planning commission shall choose a project and report its choice to the Minnesota historical society. The Minnesota historical society shall make the master plan available for review and comment by the public and other state agencies for at least 30 days. ~~Copies of the master plan shall be submitted to the commissioner of trade and economic development for review and comment.~~

Sec. 25. Minnesota Statutes 1992, section 144.95, subdivision 7, is amended to read:

Subd. 7. [RESEARCH PLOTS.] The commissioner of health may lease and maintain experimental plots of land for mosquito research. The commissioner of health shall determine the locations of the experimental plots and may enter into agreements with any public or private agency or individual to lease the land. The commissioners of agriculture, natural resources, transportation, and iron range resources and rehabilitation, ~~and trade and economic development~~ shall cooperate with the commissioner of health.

Sec. 26. Minnesota Statutes 1992, section 173.17, is amended to read:

173.17 [REMOVAL OF DEVICES; COMPENSATION.]

It is hereby declared that where in order to carry out the provisions of this chapter it is necessary that property rights be acquired, such acquisition is for a public purpose and is necessary for a highway purpose. The commissioner of transportation is authorized to acquire by purchase, gift or condemnation all advertising devices and all property rights pertaining thereto which are prohibited under the provisions of this chapter, and any rules promulgated pursuant thereto, provided that such advertising devices were in lawful existence on June 8, 1971. In any such acquisition, purchase or condemnation, just compensation shall be paid for:

- (1) The taking from the owner of such sign, display or device of all right, title, leasehold and interest in such sign, display or device; and
- (2) The taking from the owner of the real property on which such advertising device is located immediately prior to its removal or relocation, the right to erect and maintain thereon advertising devices, and full compensation therefor, including severance damage and damage to the remainder of the outdoor advertising plant regardless of whether it is located on property contiguous to or a part of that on which such sign is located, shall be included in the amounts paid to the respective owners. Provided, however, that no compensation shall be paid for severance damage and damage to the remainder of the outdoor advertising plant unless federal laws, or rules and regulations promulgated by the United States Department of Transportation

provide for federal participation in the cost of such severance damage and damage to the remainder of the outdoor advertising plant.

(3) Compensation required herein shall be paid to the person or persons entitled thereto. Notwithstanding any other provisions of Laws 1971, chapter 883, no advertising device shall be required to be removed or relocated unless and until the commissioner of transportation shall tender payment to the owner of the advertising device and the owner of real property upon which the same is located, in cash or check drawn on the state treasury, of 100 percent of the amount of just compensation required herein, as determined by the commissioner of transportation; provided that the acceptance of said tendered amount by the person or persons to be compensated shall be without prejudice to further rights to have just compensation finally determined in accordance with the provisions of Laws 1971, chapter 883, and to receive any greater or additional amount under chapter 117.

(4) Notwithstanding any other provision of this chapter, including section 173.20, no advertising device which was lawfully erected shall be removed until all rights in the property, personal or real, have been acquired by purchase, gift, or eminent domain proceedings under chapter 117, whether or not the advertising device is removed pursuant to this chapter or any other statute, ordinance, or regulation of any political subdivision of the state or local zoning authority.

~~The Minnesota department of transportation with the assistance and cooperation of the department of trade and economic development shall make recommendations to the standing committees on transportation of both houses of the legislature by February 1, 1982 for a comprehensive directional signing program.~~

Sec. 27. Minnesota Statutes 1992, section 216B.242, is amended to read:
216B.242 [INVERTED RATES.]

The commission may initiate a program designed to demonstrate the effect of inverted rates on promoting conservation by the residential customers of natural gas utilities. Any inverted rates ordered by the commission shall present customers with a tailblock price that, to the maximum extent practicable, reflects the replacement cost of gas. Total revenues collected from customers involved in this pilot program may not exceed those that would be collected under a flat rate. The commission may order one public gas utility to implement a pilot program of inverted rates for residential customers and to monitor the effects of these rates on gas consumption, and on costs to residential customers. The program shall include a sufficient number of residential customers to provide statistically significant conclusions regarding the effects and costs of inverted rates. ~~The inverted rate schedules and monitoring plans shall be prepared in consultation with the commissioner of trade and economic development.~~

Sec. 28. Minnesota Statutes 1992, section 216C.37, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] In this section:

(a) "Commissioner" means the commissioner of public service. ~~Upon passage of legislation creating a body known as the Minnesota public facilities authority, the duties assigned to the commissioner in this section are delegated to the authority.~~

(b) "Maxi-audit" means a detailed engineering analysis of energy-saving improvements to existing buildings or stationary energy-using systems, including (1) modifications to building structures; (2) heating, ventilating, and air conditioning systems; (3) operation practices; (4) lighting; and (5) other factors that relate to energy use. The primary purpose of the engineering analysis is to quantify the economic and engineering feasibility of energy-saving improvements that require capital expenditures or major operational modifications.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less payback period. Public school districts that received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion.

(d) "Municipality" means any county, statutory or home rule charter city, town, school district, or any combination of those units operating under an agreement to jointly undertake projects authorized in this section.

Sec. 29. Minnesota Statutes 1992, section 299A.01, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF COMMISSIONER.] The duties of the commissioner shall include the following:

(a) the coordination, development and maintenance of services contracts with existing state departments and agencies assuring the efficient and economic use of advanced business machinery including computers;

(b) the execution of contracts and agreements with existing state departments for the maintenance and servicing of vehicles and communications equipment, and the use of related buildings and grounds;

(c) the development of integrated fiscal services for all divisions, and the preparation of an integrated budget for the department;

(d) the establishment of a planning bureau within the department, which bureau shall consult and coordinate its activities with the commissioner of trade and economic development.

Sec. 30. Minnesota Statutes 1992, section 446A.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Minnesota public facilities authority consists of the commissioner of trade and economic development, the commissioner of finance, ~~the commissioner of public service,~~ the commissioner of the pollution control agency, and three additional members appointed by the governor from the general public with the advice and consent of the senate.

Sec. 31. Minnesota Statutes 1992, section 446A.10, subdivision 2, is amended to read:

Subd. 2. [OTHER RESPONSIBILITIES.] (a) The responsibilities for the health care equipment loan program under Minnesota Statutes 1986, section 116M.07, subdivisions 7a, 7b, and 7c; ~~the public school energy conservation~~

loan program under section 216C.37, and the district heating and qualified energy improvement loan program under section 216C.36, are transferred from the Minnesota energy and economic development authority to the Minnesota public facilities authority. The commissioner of public service shall continue to administer the municipal energy grant and loan programs under section 216C.36 and the school energy loan program under section 216C.37 until the commissioner of trade and economic development has adopted rules to implement the financial administration of the programs as provided under sections section 216C.36, subdivisions 2, 3b, 3c, 8, 8a, and 11, and 216C.37, subdivisions 4 and 8.

(b) Except as otherwise provided in this paragraph, section 15.039 applies to the transfer of responsibilities. The transfer includes 8-1/2 positions from the financial management division of the department of trade and economic development to the community development division of the department of trade and economic development. The commissioner of trade and economic development and the commissioner of public service shall determine which classified and unclassified positions associated with the responsibilities of the grant and loan programs under section 216C.36 and the school energy loan program under section 216C.37 are transferred to the commissioner of public service and which positions are transferred to the commissioner of trade and economic development in order to carry out the purposes of Laws 1987, chapter 386, article 3.

Sec. 32. Minnesota Statutes 1992, section 473.857, subdivision 2, is amended to read:

Subd. 2. A hearing shall be conducted within 60 days after the request, provided that the committee shall consolidate hearings on related requests. The hearing shall not consider the need for or reasonableness of the metropolitan system plans or parts thereof. The hearing shall afford all interested persons an opportunity to testify and present evidence. The advisory committee or administrative law judge may employ the appropriate technical and professional services of the ~~commissioner office of trade and economic development~~ *dispute resolution* for the purpose of evaluating disputes of fact. The proceedings shall not be deemed a contested case. Within 30 days after the hearing, the committee or hearing examiner shall report to the council respecting the proposed amendments to the system statements. The report shall contain findings of fact, conclusions, and recommendations and shall apportion the costs of the proceedings among the parties.

Sec. 33. Minnesota Statutes 1992, section 473H.06, subdivision 5, is amended to read:

Subd. 5. The metropolitan council shall maintain agricultural preserve maps, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports to the ~~commissioner of trade and economic development~~, the department of agriculture, and such other agencies as the council deems appropriate.

Sec. 34. Minnesota Statutes 1992, section 641.24, is amended to read:

641.24 [LEASING.]

The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, or a county housing and redevelopment authority established pursuant

to chapter 469 or any special law whereby the city or county housing and redevelopment authority will construct a jail or other law enforcement facilities for the county sheriff, deputy sheriffs, and other employees of the sheriff and other law enforcement agencies, in accordance with plans prepared by or at the request of the county board and, when required, approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county may lease the site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a revenue agreement as contemplated in chapter 469, and all proceedings shall be taken by the city or county housing and redevelopment authority and the county in the manner and with the force and effect provided in chapter 469; provided that:

- (1) no tax shall be imposed upon or in lieu of a tax upon the property;
- (2) the approval of the project by the commissioner of commerce shall not be required;
- (3) the department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, ~~in lieu of reports required on other projects to the commissioner of trade and economic development;~~
- (4) the rentals required to be paid under the lease agreement shall not exceed in any year one-tenth of one percent of the market value of property within the county, as last finally equalized before the execution of the agreement;
- (5) the county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2;
- (6) no mortgage on the property shall be granted for the security of the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board; and
- (7) the county board may sublease any part of the jail property for purposes consistent with the maintenance and operation of a county jail or other law enforcement facility.

Sec. 35. [REPEALER.]

Minnesota Statutes 1992, sections 84.54; 86A.10; 116J.01, subdivision 3; 116J.615, subdivision 2; 116J.645; 116J.661; 116J.982, subdivisions 6a, 8, and 9; 116J.983; 116J.984; 301A.01; 301A.02; 301A.03; 301A.04; 301A.05; 301A.06; 301A.07; 301A.08; 301A.09; 301A.10; 301A.11; 301A.12; 301A.13; and 301A.14, are repealed.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 116N.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL DUTIES.] The board shall investigate and evaluate new methods to enhance rural development, particularly methods

relating to *energy conservation and economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing, and renewable energy technologies.*

Sec. 2. Minnesota Statutes 1992, section 116O.02, subdivision 6, is amended to read:

Subd. 6. [TECHNOLOGY-RELATED ASSISTANCE.] "Technology-related assistance" means the transfer of technological information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services. "Technology-related assistance" includes assistance in utilizing and developing processes and products that conserve energy.

Sec. 3. Minnesota Statutes 1992, section 116O.03, subdivision 1a, is amended to read:

Subd. 1a. [PURPOSE.] The purpose of the corporation is to foster long-term economic growth and job creation by stimulating innovation and the development of new products, services, and production processes through *energy conservation, technology transfer, applied research, and financial assistance.* The corporation's purpose is not to create new programs or services but to build on the existing educational, business, and economic development infrastructure. The primary focus of the corporation's activities must be to benefit new or existing small and medium-sized businesses in greater Minnesota.

Sec. 4. Minnesota Statutes 1992, section 116O.04, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees, consultants, and agents the president considers necessary. The staff of the corporation must include individuals knowledgeable in commercial and industrial financing, *energy conservation, research and development, economic development, and general fiscal affairs.* The board shall define the duties and designate the titles of the employees and agents.

Sec. 5. Minnesota Statutes 1992, section 116O.05, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The primary duties of the corporation shall include:

- (1) applied research; and
 - (2) technology transfer and early stage funding to small manufacturers.
- (b) The corporation shall also:

- (1) establish programs, activities, and policies that provide technology transfer and applied research and development assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and non-

profit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

(2) provide or provide for technology-related assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and non-profit organizations;

(3) provide financial assistance under section 116O.06 to assist the development of new products, services, or production processes, *to assist in energy conservation*, or to assist in bringing new products or services to the marketplace;

(4) provide or provide for research services including on-site research and testing of production techniques and product quality;

(5) establish and operate regional research institutes as provided for in section 116O.08;

(6) make matching research grants for applied research and development to public and private post-secondary education institutes as provided for in section 116O.11;

(7) enter into contracts for establishing formal relationships with public or private research institutes or facilities;

(8) establish the agricultural utilization research institute under section 116O.09; and

(9) not duplicate existing services or activities provided by other public and private organizations but shall build on the existing educational, business, and economic development infrastructure.

Sec. 6. Minnesota Statutes 1992, section 116O.06, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL ASSISTANCE; TYPES.] The corporation may provide financial assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, or nonprofit organizations that have (1) received research assistance from a corporation research facility or as a result of a research grant under section 116O.09, subdivision 4, or 116O.11; or (2) received favorable review through a peer review process established under guidelines developed under section 116O.10, subdivision 2. Financial assistance includes, but is not limited to, loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan. Financial assistance under this section is for assisting in the financing of a business's debt financing, *energy conservation*, product development financing, or working capital needs.

Sec. 7. Minnesota Statutes 1992, section 116O.08, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] The purpose of the institutes is to provide applied research and development services to individuals, businesses, or organizations for the purposes of developing the region's economy through the utilization of the region's resources and the development of technology. Research and development services may include *energy conservation consultations*; on-site research, product development grants, testing of production techniques and product quality and feasibility studies.

Sec. 8. [ENERGY AND ECONOMIC DEVELOPMENT PROJECT.]

Minnesota Technology, Inc., must by February 1, 1994, notify the chairs of the legislative committees with jurisdiction in energy or economic development issues of its efforts in providing energy conservation assistance to employers and of the economic value to businesses of that assistance."

Delete the title and insert:

"A bill for an act relating to economic development; clarifying provisions relating to the department of trade and economic development; clarifying the duties of the commissioner; providing certain duties for the rural development board and Minnesota Technology, Inc.; amending Minnesota Statutes 1992, sections 17.49, subdivision 1; 18.024, subdivision 1; 86.72, subdivision 3; 86A.06; 86A.09, subdivisions 1, 2, 3, and 4; 92.35; 92.36; 103F.135, subdivision 1; 116J.01, by adding a subdivision; 116J.402; 116J.58, subdivision 1; 116J.61; 116J.68, subdivision 2; 116J.873, subdivisions 3 and 4; 116J.966, subdivision 1; 116J.980, subdivisions 1 and 2; 116N.04, subdivision 1; 116O.02, subdivision 6; 116O.03, subdivision 1a; 116O.04, subdivision 1; 116O.05, subdivision 2; 116O.06, subdivision 1; 116O.08, subdivision 2; 137.31, subdivision 6; 138.93, subdivision 4; 144.95, subdivision 7; 173.17; 216B.242; 216C.37, subdivision 1; 299A.01, subdivision 2; 446A.03, subdivision 1; 446A.10, subdivision 2; 473.857, subdivision 2; 473H.06, subdivision 5; and 641.24; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1992, sections 84.54; 86A.10; 116J.01; subdivision 3; 116J.615, subdivision 2; 116J.645; 116J.661; 116J.982, subdivisions 6a, 8, and 9; 116J.983; 116J.984; 301A.01; 301A.02; 301A.03; 301A.04; 301A.05; 301A.06; 301A.07; 301A.08; 301A.09; 301A.10; 301A.11; 301A.12; 301A.13; and 301A.14."

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

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

H.F. No. 584: A bill for an act relating to utilities; regulating telephone services to communication-impaired persons; amending Minnesota Statutes 1992, sections 237.49; 237.50, subdivision 3; 237.51, subdivision 2; and 237.52, subdivision 2; repealing Laws 1987, chapter 308, section 8.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Report adopted.

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

H.F. No. 454: A bill for an act relating to economic development; requiring a summary of performance measures for business loan or grant programs from the department of trade and economic development; amending Minnesota Statutes 1992, section 116J.58, 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 1992, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its

political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

(15) publish documents and annually convene regional meetings to inform businesses, local government units, assistance providers, and other interested persons of changes in state and federal law related to economic development; and

(16) annually convene conferences of providers of economic development related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic development activities, and formulating economic development strategies; and

(17) prepare, as part of biennial budget process with an annual interim summary for the legislature, performance measures for each business loan or grant program within the jurisdiction of the commissioner, including source of funds for each program, numbers of jobs proposed or promised at the time of application and the number of jobs created, estimated number of jobs retained, the average salary and benefits for the jobs resulting from the program, estimated number of jobs displaced, if any, and the number of projects approved.

Sec. 2. [116J.581] [COMPETITIVENESS COUNCIL.]

Subdivision 1. [COMPOSITION.] The council on the state's economic future and competitiveness is composed of the governor; the commissioners of the departments of jobs and training, trade and economic development, commerce, and labor and industry; the chancellor of the higher education board; the president of the largest statewide Minnesota organized labor organization as measured by the number of its members in affiliated labor organizations; the deans of the business schools at the University of Minnesota and St. Thomas University and the Hubert H. Humphrey Institute of Public Affairs; the science and technology advisor to the governor; six representatives from private sector businesses appointed by the governor, two from companies with more than 1,000 employees, two from companies with 101 to 1,000 employees, and two from companies with fewer than 100

employees; two members representing environmental interests appointed by the governor; and designees of the majority and minority leaders of the senate and the majority and minority leaders of the house of representatives. The members of the council shall elect a chair from the members appointed by the governor. The governor shall set the terms of members appointed by the governor, for a minimum of three years and a maximum of five years.

Subd. 2. [DUTIES.] *The council shall:*

(1) *monitor implementation of the state's economic blueprint, particularly as it pertains to the long-range competitiveness of Minnesota's companies, published by the department of trade and economic development in November 1992;*

(2) *issue long-range policy recommendations for the state to achieve its long-range economic goals;*

(3) *hold periodic forums and symposiums involving renowned experts in areas pertaining to economic development and job creation;*

(4) *meet at least twice a year at the call of the chair to receive reports and to provide ongoing counsel and advice to the legislature and the commissioner of trade and economic development;*

(5) *make recommendations as to modification or numeric changes in the economic blueprint to maintain its relevance and significance;*

(6) *ensure that goals, proposals, and recommendations should be quantified to the extent possible;*

(7) *utilize modern modeling tools to determine the long-range competitive impact of past, present, and proposed legislative action; and*

(8) *scrutinize all legislation that can impact the state's economic future or the competitiveness of Minnesota enterprise.*

Subd. 3. [REPORTS.] *The council shall make annual reports to the governor and legislature by February 1.*

Subd. 4. [SUPPORT.] *The commissioner of trade and economic development shall provide staff and administrative support to the council.*

Subd. 5. [TERMINATION OF COUNCIL.] *The termination of the council's existence is governed by section 15.059, subdivision 5."*

Delete the title and insert:

"A bill for an act relating to economic development; requiring a report from the department of trade and economic development; creating a council on the state's economic future and competitiveness; amending Minnesota Statutes 1992, section 116J.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J."

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

Mr. Spear from the Committee on Crime Prevention, to which was referred H.F. No. 732: A bill for an act relating to law enforcement; exempting law

enforcement agencies from the requirements of the criminal offender rehabilitation employment law; amending Minnesota Statutes 1992, section 364.09.

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

Page 2, after line 3, insert:

“Sec. 2. Minnesota Statutes 1992, section 638.02, subdivision 2, is amended to read:

Subd. 2. Any person, convicted of a crime in any court of this state, who has served the sentence imposed by the court and has been discharged of the sentence either by order of court or by operation of law, may petition the board of pardons for the granting of a pardon extraordinary. Unless the board of pardons expressly provides otherwise in writing by unanimous vote, the application for a pardon extraordinary may not be filed until the applicable time period in clause (1) or (2) has elapsed:

(1) if the person was convicted of a crime of violence as defined in section 624.712, subdivision 5, ten years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime; and

(2) if the person was convicted of any crime not included within the definition of crime of violence under section 624.712, subdivision 5, five years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime.

If the board of pardons determines that the person is of good character and reputation, the board may, in its discretion, grant the person a pardon extraordinary. The pardon extraordinary, when granted, has the effect of setting aside and nullifying the conviction and of purging the person of it, and the person shall never after that be required to disclose the conviction at any time or place other than in a judicial proceeding thereafter instituted or as part of the licensing process for peace officers.

The application for a pardon extraordinary, the proceedings to review an application, and the notice requirements are governed by the statutes and the rules of the board in respect to other proceedings before the board. The application shall contain any further information that the board may require.

Unless the board of pardons expressly provides otherwise in writing by unanimous vote, if the person was convicted of a crime of violence, as defined in section 624.712, subdivision 5, the pardon extraordinary must expressly provide that the pardon does not entitle the person to ship, transport, possess, or receive a firearm until ten years have elapsed since the sentence was discharged and during that time the person was not convicted of any other crime of violence.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “requiring disclosure of conviction during peace officer licensing process even after pardon extraordinary has been granted;”

Page 1, line 5, delete "section" and insert "sections" and after "364.09" insert "; and 638.02, subdivision 2".

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

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

S.F. No. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, section 214.06, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. [HEALTH CARE AND FAMILY SERVICES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this article, to be available for the fiscal years indicated for each purpose. The figures "1994" and "1995" where used in this article, mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

1993 DEFICIENCY

General
\$15,286,000

APPROPRIATIONS

	1994	1995	BIENNIAL TOTAL
General	\$2,143,007,000	\$2,285,383,000	\$4,428,390,000
State Government			
Special Revenue	21,039,000	20,237,000	41,276,000
Environmental	191,000	204,000	395,000
Trunk Highway	1,488,000	1,510,000	2,998,000
Health Care Access	49,017,000	104,789,000	153,806,000
TOTAL	2,214,742,000	2,412,123,000	4,626,865,000
REVENUE			
General	56,825,000	87,578,000	144,403,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 2. COMMISSIONER OF HUMAN
SERVICES

Subdivision 1. Total Appropriation 2,135,298,000 2,332,595,000

Summary by Fund

General	2,088,943,000	2,230,511,000
Health Care Access	46,355,000	102,084,000

The amounts that may be spent from this appropriation for each program and activity are more specifically described in the following subdivisions.

Federal receipts as shown in the biennial budget document to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner must be credited to and become a part of the appropriations provided for in this section.

Federal money received in excess of the estimates shown in the 1994-1995 department of human services budget document reduces the state appropriation by the amount of the excess receipts, unless the governor directs otherwise, after consulting with the legislative advisory commission.

The commissioner of human services, with the approval of the commissioner of finance and by direction of the governor after consulting with the legislative advisory commission, may transfer unencumbered appropriation balances among the aid to families with dependent children, aid to families with dependent children child care, Minnesota family investment, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, and work readiness programs, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the biennium.

Effective the day following final enactment, the commissioner may transfer unencumbered appropriation balances for

fiscal year 1993 among the aid to families with dependent children, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, and work readiness programs, and the entitlement portion of the chemical dependency consolidated treatment fund, with the approval of the commissioner of finance after notification of the chair of the senate family services and health care division and the chair of the house of representatives human services division.

Subd. 2. Finance and Management Administration

22,733,000 21,713,000

Summary by Fund

General	21,285,000	20,154,000
Health Care Access	1,448,000	1,559,000

If federal money anticipated is less than that shown in the biennial budget document, the commissioner of finance shall reduce the amount available from the direct appropriation a corresponding amount. The reductions must be noted in the budget document submitted to the 78th legislature in addition to the estimate of similar federal money anticipated for the biennium ending June 30, 1995.

The \$214,000 appropriated in fiscal year 1994 and the \$205,000 appropriated in fiscal year 1995 from the state government special revenue fund for the purposes of Minnesota Statutes, chapter 148C, shall be transferred from the commissioner of human services to the commissioner of health. The complement of the department of health is increased by four positions.

The commissioner shall establish a special revenue fund account to manage shared communication costs necessary for the operation of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual system usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time, and other direct costs as determined by the commis-

sioner. The commissioner may accept for and on behalf of the state any gift, bequest, devise, or personal property of any kind or money tendered to the state for any purpose pertaining to the communication activities of the department. Any money received must be deposited in the state communication systems account. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

Subd. 3. Social Services Administration	69,351,000	69,735,000
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Summary by Fund

General	69,351,000	69,735,000
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An additional \$20,000 each year is appropriated from the children's trust fund to the special revenue fund for administration and indirect costs of the children's trust fund program.

Of the appropriation for aging services grants, \$50,000 each year is to increase the appropriation for home delivered meals.

The Minnesota board on aging, in cooperation with the area agencies on aging and statewide senior citizen organizations, shall develop and present to the legislature by February 1, 1994, a plan for operating the Aging Ombudsman programs through grants to private, nonprofit organizations. Goals of the plan and its implementation are to improve advocacy services for nursing home residents, acute care patients, and home care clients by strengthening quality, access, and independence, as well as by taking full advantage of local matching funds.

Of this appropriation, \$5 million is for family services collaboratives to be spent as follows: (1) \$1.5 million in fiscal year 1994 for planning and start-up grants to family services collaboratives approved by the interagency family services teams; and (2) \$1.75 million each year of the biennium for family services collabora-

tive program grants to family services collaboratives.

Subd. 4. Family Self-Sufficiency Administration

352,159,000 330,704,000

Summary by Fund

General	351,789,000	330,284,000
Health Care Access	370,000	420,000

The commissioner shall set the monthly standard of assistance for general assistance and work readiness assistance units consisting of an adult recipient who is childless and unmarried or living apart from parents or a legal guardian at \$203.

Federal food stamp employment and training funds received for the work readiness program are appropriated to the commissioner to reimburse counties for work readiness service expenditures.

The commissioner of human services may accept assignment of an existing contract for electronic benefit transfer services, under terms and conditions approved by the attorney general. The term of any contract assigned to the state may not extend beyond June 30, 1995, and the commissioner must publish a request for proposals for succeeding electronic benefit services in the State Register before January 1, 1995.

Of this appropriation, \$50,000 each year is for a grant to the New Chance demonstration project that provides comprehensive services to young AFDC recipients who became pregnant as teenagers and dropped out of high school. The commissioner shall provide an annual report on the progress of the demonstration project, including specific data on participant outcomes in comparison to a control group that received no services. The commissioner shall also include recommendations on whether strategies or methods that have proven successful in the demonstration project should be incorporated into the STRIDE employment program for AFDC recipients.

Appropriations and federal receipts for information system projects for MAXIS, child support enforcement, and the Min-

nesota Medicaid information system must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the information policy office, funded by the legislature, and approved by the commissioner of finance may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.

Effective the day following final enactment, the appropriation in Laws 1991, chapter 292, article 1, section 2, subdivision 4, is increased by \$15,286,000. Of this amount, \$15,186,000 is to cover MAXIS operating deficiencies in fiscal year 1993 and \$100,000 is to be transferred to the department of administration information policy office for an independent information system review of MAXIS. The appropriation to the information policy office does not cancel but shall be available until expended. The review shall determine if operating expenses can be reduced, if distributed processing can be used, and if system performance can be improved. Findings of the review shall be reported to the legislature by February 1, 1994.

For the food stamp program error rate sanction for federal fiscal year 1986, the commissioner is granted an exception to the provisions of Minnesota Statutes, section 256.01, subdivision 2, clause (14), requiring allocation of sanctions to county human service agencies.

Of the appropriation for aid to families with dependent children, the commissioner shall provide supplementary grants not to exceed \$200,000 a year for aid to families with dependent children. The commissioner shall include the following costs in determining the amount of the supplementary grants: major home repairs; repair of major home appliances; utility recaps; supplementary dietary needs not covered by medical assistance;

and replacements of furnishings and essential major appliances.

Any federal money remaining from receipt of state legalization impact assistance grants, after reimbursing the department of education for actual expenditures, must be deposited in the aid to families with dependent children account.

Unexpended money appropriated for (1) project STRIDE work experience activities under Minnesota Statutes, section 256.737; (2) work readiness employment and training services; or (3) the Minnesota family investment plan for fiscal year 1994 does not cancel but is available for fiscal year 1995.

Payments to the commissioner from other governmental units and private enterprise for services performed by the issuance operations center shall be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. These funds are appropriated for the purposes of that section for the operation of the issuance center and are to be used according to the provisions of that section.

Subd. 5. Health Care Administration	1,383,342,000	1,546,932,000
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Summary by Fund

General	1,382,251,000	1,545,494,000
Health Care Access	1,091,000	1,438,000

The commissioner of finance shall transfer \$7,988,000 for fiscal year 1994 and \$19,138,000 for fiscal year 1995 from the health care access fund to the general fund.

Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

Money appropriated for the interagency long-term care planning committee (INTERCOM) activity may be transferred among all agencies specified in Minnesota Statutes, section 144A.31, subdivision 1, with the approval of the members and the commissioner of finance.

The commissioner shall study modifications to Minnesota Rules, parts 9553.0010 to 9553.0080, governing the reimbursement system for intermediate care facilities for persons with mental retardation, and shall solicit advice from the public, including provider groups, advocates, and legislators when developing rule amendments. The commissioner shall report to the legislature by January 31, 1994, on the status of revision to these rule parts.

The nonfederal share of the costs of case management services provided to persons with mental retardation or related conditions relocated from nursing homes as required by federal law and receiving home and community-based services funded through the waiver granted under section 1915(c)(7)(B) of the Social Security Act shall be provided from state-appropriated medical assistance grant funds. The division of cost is subject to Minnesota Statutes, section 256B.19, and the services are included as covered programs and services under Minnesota Statutes, section 256.025, subdivision 2.

Up to \$40,000 of the appropriation for preadmission screening and alternative care for fiscal year 1994 may be transferred to the health care administration account to pay the state's share of county claims for conducting nursing home assessments for persons with mental illness or mental retardation as required by Public Law Number 100-203.

The commissioner shall not implement Laws 1993, chapter 20, unless necessary to avoid federal fiscal sanctions or hospital ratable reductions.

Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Services provided by a physical therapy assistant that are provided under the direction of a physical therapist who is not on the premises shall be reimbursed at 65 percent of the physical therapist rate. Services provided by

an occupational therapy assistant shall be reimbursed at the same rate as services performed by an occupational therapist when the services of the occupational therapy assistant are provided under the direction of the occupational therapist who is on the premises. Services provided by an occupational therapy assistant that are not provided under the direction of an occupational therapist who is not on the premises shall be reimbursed at 65 percent of the occupational therapist rate.

The paragraph in Laws 1992, chapter 513, article 5, section 2, subdivision 7, providing for the transfer to the medical assistance account of \$600,000 of community social services act grant funds for case management to act as a state match necessary for preplacement activity upon federal approval of adding preplacement case management for persons with mental retardation or related conditions to the state Medicaid plan, is repealed.

The commissioner shall study and report to the legislature by February 1, 1994, recommendations on the feasibility of developing a Medicaid inpatient hospital payment system similar to the current Medicare methodology. The study shall examine at least the following reimbursement options: (1) Medicare diagnostic related grouping methodology, (2) reimbursement of small volume Medicaid providers on a percentage-of-charges basis rather than on a prospective basis; (3) equitable methods for reimbursing the additional costs incurred by teaching hospitals, children's hospitals, and high-volume Medicaid hospitals; and (4) contracting with an outside agency for the administration of the Medicaid program. The commissioner shall establish a task force including department staff and hospital industry representatives to assist with the preparation of the report and recommendations. The report shall include recommendations on the feasibility of implementing a new reimbursement system on July 1, 1994, and an estimate of the cost or savings associated with any recommended changes.

The commissioner may not adjust hospital reimbursement rates to provide a new hospital payment for short length of stay mental health patients without the prior approval of the legislature unless the adjustment will result in budget savings.

The commissioner shall apply to the federal government for a waiver from Code of Federal Regulations, parts 441.206 and 441.256, which require certain attachments be included with Medicaid provider billings, in order to enable the commissioner to allow providers to submit most or all bills electronically.

Rates paid for anesthesiology services provided by physicians and certified registered nurse anesthetists (CRNAs) shall be according to the formula utilized in the Medicare program. For physicians, a conversion factor "at percentile of calendar year set by legislature" shall be used. For CRNAs, the conversion factor shall be that used by Medicare.

The amount of state semi-independent living services (SILS) funds and state community social services funds transferred to the state medical assistance account for the purpose of transferring certain persons from the SILS program to the home and community-based waived services program for persons with mental retardation or related conditions shall be based on each county's participation in transferring persons to the waiver program. Funds shall not be transferred for any person until that person begins receiving waived services. No person for whom these funds are transferred shall be required to obtain a new living arrangement, notwithstanding Minnesota Statutes, section 252.28, subdivision 3, paragraph (4), and Minnesota Rules, parts 9525.1800, subpart 26a, and 9525.1860, subpart 6. When supported living services are provided to persons for whom these funds are transferred, the commissioner may substitute the licensing standards of Minnesota Rules, parts 9525.0500 to 9525.0660, for Minnesota Rules, parts 9525.2000 to 9525.2140, if the services remain nonresidential as de-

fined in Minnesota Statutes, section 245A.02, subdivision 10.

Contingent upon federal approval of expanding eligibility for home and community-based services for persons with mental retardation or related conditions, the commissioner shall reduce the state semi-independent living services (SILS) payments to each county by the total medical assistance expenditures for non-residential services attributable to former SILS recipients transferred by the county to the home and community-based services program for persons with mental retardation or related conditions. Of the reduced SILS payments determined above, the commissioner shall transfer to the state medical assistance account an amount equal to the nonfederal share of the nonresidential services under the home and community-based services for persons with mental retardation or related conditions. Of the remaining reduced SILS payments, 80 percent shall be returned to the SILS grant program to provide additional SILS services and 20 percent shall be transferred to the general fund.

The commissioner shall allocate money for home and community-based services to meet the needs of developmentally disabled individuals on the following priority basis: (1) to serve individuals on county waiting lists; and (2) to serve individuals who have been screened for discharge from regional treatment centers. In allocating waiver slots to a county under Minnesota Statutes, sections 256B.092 and 256B.501, the commissioner shall ensure that at least one individual from the county waiting list is served for each individual served as a discharge from a regional treatment center.

The commissioner of finance shall transfer \$50,000 in fiscal year 1994 and \$50,000 in 1995 from the department of human services' training budget to the state technical college system. This transfer is to be used for customized training of staff who work directly with persons with developmental disabilities. Any unex-

pending money shall revert to the general fund.

For the fiscal year ending June 30, 1994, if a facility which is in receivership under Minnesota Statutes, section 245A.12 or 245A.13, is sold to an unrelated organization: (a) the facility shall be considered a newly established facility for rate setting purposes notwithstanding any provisions to the contrary in Minnesota Statutes, section 256B.501, subdivision 11; and (b) the facility's historical basis for the physical plant, land, and land improvements for each facility must not exceed the prior owner's aggregate historical basis for these same assets for each facility. The allocation of the purchase price between land, land improvements, and physical plant shall be based on the real estate appraisal using the depreciated replacement cost method.

For the fiscal year ending June 30, 1994, a newly constructed or newly established intermediate care facility for the mentally retarded that is developed and financed during that period shall not be subject to the equity requirements in Minnesota Statutes, section 256B.501, subdivision 11, paragraph (d), or Minnesota Rules, part 9553.0060, subpart 3, item F, provided that the provider's interest rate does not exceed the interest rate available through state agency tax exempt financing.

Effective for services rendered on or after July 1, 1993, medical assistance payments to ambulance services are increased by 10 percent from the lower of: (1) the submitted charges; or (2) the 50th percentile of the prevailing charge for 1982.

Effective the day following final enactment, fiscal year 1993 appropriations made to the commissioner of human services for computer projects may be transferred between operations and development. A transfer under this paragraph may be made at the discretion of the commissioner, but must not be made to any project not previously approved by the commissioner of finance and the information policy office.

Up to \$600,000 of the appropriation for systems modification and start-up costs for MinnesotaCare contained in Laws 1992, chapter 549, article 10, section 1, subdivision 4, shall not cancel, but may be transferred to the state systems account established in Minnesota Statutes, section 256.014, to complete the work of integrating MinnesotaCare into the Medicaid management information system.

Subd. 6. MinnesotaCare	43,446,000	98,667,000
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This appropriation is from the health care access fund.

Subd. 7. Mental Health and Regional Treatment Center Administration	264,267,000	264,844,000
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If the resident population at the regional treatment centers is projected to be higher than the estimates upon which the medical assistance forecast and budget recommendations were based, the amount of the medical assistance appropriation that is attributable to the cost of services that would have been provided as an alternative to regional treatment center services is transferred to the residential facilities appropriation.

The commissioner may transfer unencumbered appropriation balances between fiscal years for the state residential facilities repairs and betterments account and may transfer any unencumbered balances in special equipment remaining in the first year to the second year of the biennium.

Of this appropriation, \$25,000 is to be transferred to the commissioner of administration for a study of legal and treatment issues related to persons with psychopathic personalities.

The transfer of the Osage building at the Faribault regional treatment center to the department of administration or the department of corrections or to any other state agency may not occur before December 31, 1994. Residents affected by the transfer of the Osage building shall not be transferred to another regional treatment center or state nursing home but must either be housed at the Faribault regional treatment center or placed in appropriate community-based facilities.

The transfer of the hospital building at the Faribault regional treatment center to the department of administration, to the department of corrections, or to any other state agency, may take place only after alternative, state-operated, skilled nursing facility and infirmary space has been developed for residents on the campus of the Faribault regional treatment center. The commissioner of human services is prohibited from transferring any other building on the campus of the Faribault regional treatment center to any other state agency, or from declaring any building or acreage on the campus to be surplus, unless specifically authorized to do so by the legislature.

It is the intent of the legislature that the transfer of vulnerable persons, construction of the psychiatric hospital, and the conversion of existing buildings at Moose Lake for use by the department of corrections shall be coordinated in order to minimize any disruptive impact on the care and treatment of vulnerable persons.

For purposes of restructuring the regional treatment centers and state nursing homes, any regional treatment center employee whose position is to be eliminated shall be afforded the options provided in applicable collective bargaining agreements. Provided there is no conflict with any collective bargaining agreement, any regional treatment center position reduction must only be accomplished through mitigation, attrition, transfer, and other measures as provided in state or applicable collective bargaining agreements and in Minnesota Statutes, section 252.50, subdivision 11, and not through layoff.

Agreements between the commissioner of corrections and the commissioner of human services concerning operation of a correctional facility on the Moose Lake regional treatment center campus shall include provisions for the utilization of the regional laundry facilities at the Brainerd regional treatment center.

The commissioner of human services shall transfer buildings at the Moose Lake campus housing persons with mental illness and psychogeriatric patients to the

commissioner of corrections upon the commencement of actual construction of a 100-bed psychopathic personality treatment facility at the Moose Lake regional treatment center.

When the operations of the regional treatment center chemical dependency fund created in Minnesota Statutes, section 246.18, subdivision 2, are impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance shall transfer general fund cash reserves into this account as necessary to meet cash demands. The cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not the regional treatment center chemical dependency fund.

Sec. 3. COMMISSIONER OF HEALTH

Subdivision 1. Total Appropriation		56,125,000	55,118,000
	Summary by Fund		
General	37,024,000	36,731,000	
Environmental	191,000	204,000	
State Government			
Special Revenue	14,760,000	13,968,000	
Trunk Highway	1,488,000	1,510,000	
Health Care Access	2,662,000	2,705,000	

The appropriation from the environmental fund is for monitoring well water supplies and conducting health assessments in the metropolitan area.

The appropriation from the trunk highway fund is for emergency medical services activities.

The amounts that may be spent from this appropriation for each program and activity are more specifically described in the following subdivisions.

Subd. 2. Health Protection		16,429,000	15,568,000
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Summary by Fund

General	6,812,000	6,721,000
State Government		
Special Revenue	9,448,000	8,665,000
Environmental	169,000	182,000

Subd. 3. Health Care Resources Systems	6,262,000	6,296,000
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Summary by Fund

General	320,000	320,000
State Government		
Special Revenue	3,330,000	3,321,000
Health Care Access	2,612,000	2,655,000

Any efforts undertaken by the Minnesota departments of health or human services to conduct periodic educational programs for nursing home residents shall build on and be coordinated with the resident and family advisory council education program established in Minnesota Statutes, section 144A.33.

Notwithstanding the provisions of Minnesota Statutes, sections 144.122 and 144.53, the commissioner shall increase the annual licensure fee charged to a hospital accredited by the joint commission on accreditation of health care organizations by \$520 and shall increase the annual licensure fee charged to nonaccredited hospitals by \$225.

Notwithstanding the provisions of Minnesota Statutes, sections 144.122, 144.53, and 144A.07, a health care facility licensed under the provisions of Minnesota Statutes, chapter 144 or 144A, may submit the required fee for licensure renewal in quarterly installments. Any health care facility requesting to pay the renewal fees in quarterly payments shall make the request at the time of license renewal. Facilities licensed under the provisions of Minnesota Statutes, chapter 144, shall submit quarterly payment by January 1, April 1, July 1, and October 1 of each year. Nursing homes licensed under Minnesota Statutes, chapter 144A, shall submit the first quarterly payment with the application for renewal, and the remaining payments shall be submitted at three-month intervals from the license expiration date. The commissioner of

health can require full payment of any outstanding balance if a quarterly payment is late. Full payment of the annual renewal fee will be required in the event that the facility is sold or ceases operation during the licensure year. Failure to pay the licensure fee is grounds for the non-renewal of the license.

The commissioner shall adjust the fees for hospital licensure renewal in such a way that fees for hospitals not accredited by the joint commission on accreditation of health care organizations are capped at \$2,000, plus \$100 per bed. Any loss of revenue that results from this cap must be evenly distributed to hospitals which are accredited by the joint commission.

The commissioner shall report to the chairs of the house of representatives health and housing finance division and the senate health and family services finance division by January 1, 1995, on progress in developing a revised cost allocation system to determine licensing fees for health care facilities and shall recommend language to modify hospital and nursing home fees accordingly.

Effective the day following final enactment, in the event that the commissioner of health is ordered by a court or otherwise agrees to assume responsibility for the handling of patient's medical records from a closed hospital, such records shall be considered as medical data under the provisions of Minnesota Statutes, section 13.42, subdivision 3. The commissioner of health is authorized to handle and to provide access to these records in accordance with the provisions of Minnesota Statutes, sections 145.30 to 145.32 and 144.335. A written certification by the commissioner of health or the commissioner's designee that a photographic or photostatic copy of a record is a complete and correct copy shall have the same force and effect as a comparable certification of an officer or employee in charge of the records of the closed hospital. Costs incurred for the handling of these records pursuant to Minnesota Statutes, sections 145.30 to 145.32, shall be considered as a lien on the property of the

closed hospital in accordance with the provisions of Minnesota Statutes, section 514.67. At the commissioner of health's discretion, all or a portion of this lien may be released in consideration for payment of a reasonable portion of the costs incurred by the commissioner. Any costs incurred by the commissioner for the handling of or providing access to the medical records must be recovered through charges for the access to records under Minnesota Statutes, section 144.335. The commissioner may contract for services for the handling of the medical records pursuant to Minnesota Statutes, sections 145.30 to 145.32, and for the provision of access to these records. Any revenues received by the commissioner through collections from the closed hospital or from charges for access shall be used to cover any contractual costs. Any remaining money shall be deposited into the state government special revenue fund.

Subd. 4. Health Delivery Systems	29,173,000	28,993,000
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Summary by Fund

General	27,767,000	27,565,000
Trunk Highway	1,406,000	1,428,000

Of this appropriation, \$90,000 is to be transferred to the higher education coordinating board to implement the rural clinical nurse practitioner program and \$10,000 is to provide stipends to members of nurse practitioner promotion teams.

General fund appropriations for the women, infants, and children food supplement program (WIC) are available for either year of the biennium. Transfers of appropriations between fiscal years must be for the purpose of maximizing federal funds or minimizing fluctuations in the number of participants.

When cost effective, the commissioner may use money received for the services for children with handicaps program to purchase health coverage for eligible children.

\$50,000 of the appropriation for fiscal year 1994 for services to the children treatment fund may be used to conduct a needs assessment.

In the event that Minnesota is required to comply with the provision in the federal maternal and child health block grant law, which requires 30 percent of the allocation to be spent on primary services for children, federal funds allocated to the commissioner of health under Minnesota Statutes, section 145.882, subdivision 2, may be transferred to the commissioner of human services for the purchase of primary services for children covered by MinnesotaCare. The commissioner of human services shall transfer an equal amount of the money appropriated for MinnesotaCare to the commissioner of health to assure access to quality child health services under Minnesota Statutes, section 145.88.

General fund appropriations for treatment services in the services for children with handicaps program are available for either year of the biennium.

Subd. 5. Support Services	4,261,000	4,261,000
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Summary by Fund

General	2,125,000	2,125,000
Environmental	22,000	22,000
Health Care Access	50,000	50,000
Trunk Highway	82,000	82,000
State Government		
Special Revenue	1,982,000	1,982,000

Sec. 4. VETERANS NURSING HOMES BOARD	15,626,000	16,737,000
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Of this appropriation, \$75,000 in fiscal year 1994 is for an alternative site study for the Minneapolis veterans home.

Of this appropriation, \$100,000 in fiscal year 1995 is for an information system. All information policy office requirements must be met before hardware and software are purchased.

Sec. 5. HEALTH-RELATED BOARDS

Subdivision 1. Total Appropriation	6,279,000	6,269,000
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The appropriations in this section are from the state government special revenue fund.

The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues from fees collected by the boards. Neither this provision nor Minnesota Statutes, section 214.06, applies to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated by the transferee during the previous five years.

A board named in this article may transfer appropriated funds to the health-related licensing board administrative services unit within the board of chiropractic examiners for additional administrative support services.

\$63,000 the first year and \$63,000 the second year is to provide administrative services to all health-related licensing boards.

Subd. 2. Board of Chiropractic Examiners	362,000	362,000
Subd. 3. Board of Dentistry	651,000	638,000
Subd. 4. Board of Marriage and Family Therapy	92,000	92,000
Subd. 5. Board of Medical Practice	2,011,000	2,010,000
Subd. 6. Board of Nursing	1,466,000	1,469,000
Subd. 7. Board of Nursing Home Administrators	168,000	167,000
Subd. 8. Board of Optometry	70,000	71,000
Subd. 9. Board of Pharmacy	587,000	588,000
Subd. 10. Board of Podiatry	30,000	30,000
Subd. 11. Board of Psychology	308,000	308,000
Subd. 12. Board of Social Work	428,000	428,000
Subd. 13. Board of Veterinary Medicine	106,000	106,000
Sec. 6. OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION	860,000	850,000

Notwithstanding Minnesota Statutes, section 245.93, the ombudsman for mental health and mental retardation may not appoint a deputy.

Of this appropriation, \$10,000 shall be transferred to the commissioner of administration for a study on the feasibility of combining various state ombudsman functions, including the ombudsman for mental health and mental retardation, the ombudsman for older Minnesotans and long-term care, the crime victim ombudsman, and other ombudsman and advocacy functions. The commissioner of administration shall report the results of the study to the legislature by January 15, 1994, along with any recommendations for consolidation.

Sec. 7. COUNCIL ON DISABILITY

554,000 554,000

Sec. 8. CARRYOVER LIMITATION

None of the appropriations in this act which are allowed to be carried forward from fiscal year 1994 to fiscal year 1995 shall become part of the base level funding for the 1995-1997 biennial budget.

Sec. 9. TRANSFERS

Subdivision 1. Approval Required

Transfers may be made by the commissioners of human services and health and the veterans nursing homes board to salary accounts and unencumbered salary money may be transferred to the next fiscal year in order to avoid layoffs with the advance approval of the commissioner of finance and upon notification of the chairs of the senate health care and family services finance division and the house of representatives human services finance and health and housing finance divisions. Amounts transferred to fiscal year 1995 shall not increase the base funding level for the 1996-1997 appropriation. The commissioners and the board shall not transfer money to or from the object of expenditure "grants and aid" without the written approval of the governor after consulting with the legislative advisory commission.

Subd. 2. Transfers of Unencumbered Appropriations

The commissioners of human services, health, and the veterans nursing homes board, by direction of the governor after consulting with the legislative advisory commission, may transfer unencumbered appropriation balances and positions among all programs.

Sec. 10. PROVISIONS

Money appropriated to the commissioner of human services and the veterans nursing homes board in this act for the purchase of provisions within the item "current expense" must be used solely for that purpose. Money provided and not used for purchase of provisions must be canceled into the fund from which appropriated, except that money provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the written approval of the governor after consulting with the legislative advisory commission. The allowance for food may be adjusted annually according to the United States Department of Labor, Bureau of Labor Statistics publication, producer price index, with the approval of the commissioner of finance. Adjustments for fiscal year 1994 and fiscal year 1995 must be based on the June 1993 and June 1994 producer price index respectively, but the adjustment must be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 11. PROJECT LABOR

Wages for project labor may be paid by the commissioner of human services out of repairs and betterment funds if the individual is to be engaged in a construction project or repair project of a short-term and nonrecurring nature. Compensation for project labor shall be based on the prevailing wage rates, as defined in Minnesota Statutes, section 177.42, subdivision 6. Project laborers are excluded from the provisions of Minnesota Statutes, sections 43A.22 to

43A.30, and shall not be eligible for state-paid insurance and benefits.

Sec. 12. UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1995, unless a different expiration is explicit.

Sec. 13. Minnesota Statutes 1992, section 198.34, is amended to read:

198.34 [DEPOSIT OF RECEIPTS.]

Federal money received by the board for the care of veterans in a veterans home, ~~after being credited to a federal receipt account, must be transferred to the general revenue fund in the state treasury must be deposited into a dedicated account in the state treasury and is appropriated to the veterans homes board of directors for the operational needs of the veterans homes and the board of directors.~~ Money paid to the board by a veteran or by another person on behalf of a veteran for care in a veterans home must be deposited in the state treasury ~~and credited to the general fund in a dedicated resources account and is appropriated to the veterans homes board of directors for the operational needs of the veterans homes and the board of directors.~~

ARTICLE 2

HEALTH DEPARTMENT AND HEALTH BOARDS

Section 1. [136A.1358] [RURAL CLINICAL SITES FOR NURSE PRACTITIONER EDUCATION.]

Subdivision 1. [DEFINITION.] For purposes of this section, "rural" means any area of the state outside of the seven metropolitan counties, as defined in section 473.121, subdivision 4.

Subd. 2. [ESTABLISHMENT.] A grant program is established under the authority of the higher education coordinating board to provide grants to colleges or schools of nursing located in Minnesota that operate programs of study designed to prepare registered nurses for advanced practice as nurse practitioners.

Subd. 3. [PROGRAM GOALS.] Colleges and schools of nursing shall use grants received to provide rural students with increased access to programs of study for nurse practitioners, by:

- (1) developing rural clinical sites;*
- (2) allowing students to remain in their rural communities for clinical rotations; and*
- (3) providing faculty to supervise students at rural clinical sites.*

The overall goal of the grant program is to increase the number of graduates of nurse practitioner programs who work in rural areas of the state.

Subd. 4. [RESPONSIBILITY OF NURSING PROGRAMS.] (a) Colleges or schools of nursing interested in participating in the grant program must apply to the higher education coordinating board, according to the policies established by the board. Applications submitted by colleges or schools of

nursing must include a detailed proposal for achieving the goals listed in subdivision 3, a plan for encouraging sufficient applications from rural applicants to meet the requirements of paragraph (b), and any additional information required by the board.

(b) Each college or school of nursing, as a condition of accepting a grant, shall make at least 25 percent of the openings in each nurse practitioner entering class available to applicants who live in rural areas and desire to practice as a nurse practitioner in rural areas. This requirement is effective beginning with the fall 1994 entering class and remains in effect for each biennium thereafter for which a college or school of nursing is awarded a grant renewal. The board may exempt colleges or schools of nursing from this requirement if the college or school can demonstrate, to the satisfaction of the board, that the nurse practitioner program did not receive enough applications or acceptance letters from qualified rural applicants to meet the requirement.

(c) Colleges or schools of nursing participating in the grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 5. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] (a) The board shall establish an application process for interested colleges and schools of nursing, and shall require colleges and schools of nursing to submit grant applications to the board by November 1, 1993. The board may award up to two grants for the biennium ending June 30, 1995.

(b) In selecting grant recipients, the board shall consider:

(1) the likelihood that an applicant's grant proposal will be successful in achieving the program goals listed in subdivision 3;

(2) the potential effectiveness of the college's or school's plan to encourage applications from rural applicants; and

(3) the academic quality of the college's or school's program of education for nurse practitioners.

(c) The board shall notify grant recipients of an award by December 1, 1993, and shall disburse the grants by January 1, 1994. The board may renew grants if a college or school of nursing demonstrates that satisfactory progress has been made during the past biennium toward achieving the goals listed in subdivision 3.

Sec. 2. Minnesota Statutes 1992, section 144.122, is amended to read:

144.122 [LICENSE AND PERMIT FEES.]

(a) The state commissioner of health, by rule, may prescribe reasonable procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the

application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the department of finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the ~~general~~ *state government special revenue* fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with handicaps program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner, for fiscal years 1993 and beyond, shall set license fees for hospitals and nursing homes that are not boarding care homes at a level sufficient to recover, over a two-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Joint Commission on Accreditation of Healthcare

Organizations (JCAHO hospitals)	\$2,142
Non-JCAHO hospitals	\$2,228 plus \$138 per bed
Nursing home	\$324 plus \$76 per bed

For fiscal years 1993 and beyond, the commissioner shall set license fees for outpatient surgical centers, boarding care homes, and supervised living facilities at a level sufficient to recover, over a four-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Outpatient surgical centers	\$1,645
Boarding care homes	\$249 plus \$58 per bed
Supervised living facilities	\$249 plus \$58 per bed.

Sec. 3. Minnesota Statutes 1992, section 144.123, subdivision 1, is amended to read:

Subdivision 1. [WHO MUST PAY.] Except for the limitation contained in this section, the commissioner of health shall charge a handling fee for each specimen submitted to the department of health for analysis for diagnostic purposes by any hospital, private laboratory, private clinic, or physician. No fee shall be charged to any entity which receives direct or indirect financial assistance from state or federal funds administered by the department of health, including any public health department, nonprofit community clinic, venereal disease clinic, family planning clinic, or similar entity. The commis-

sioner of health may establish by rule other exceptions to the handling fee as may be necessary to gather information for epidemiologic purposes. All fees collected pursuant to this section shall be deposited in the state treasury and credited to the ~~general~~ *state government special revenue fund*.

Sec. 4. Minnesota Statutes 1992, section 144.226, subdivision 2, is amended to read:

Subd. 2. [~~FEES TO GENERAL STATE GOVERNMENT SPECIAL REVENUE FUND.~~] Fees collected under this section by the state registrar shall be deposited to the ~~general~~ *state government special revenue fund*.

Sec. 5. Minnesota Statutes 1992, section 144.3831, subdivision 2, is amended to read:

Subd. 2. [COLLECTION AND PAYMENT OF FEE.] The public water supply described in subdivision 1 shall:

(1) collect the fees assessed on its service connections;

(2) pay the department of revenue an amount equivalent to the fees based on the total number of service connections. The service connections for each public water supply described in subdivision 1 shall be verified every four years by the department of health; and

(3) pay one-fourth of the total yearly fee to the department of revenue each calendar quarter. The first quarterly payment is due on or before September 30, 1992. In lieu of quarterly payments, a public water supply described in subdivision 1 with fewer than 50 service connections may make a single annual payment by June 30 each year, starting in 1993. The fees payable to the department of revenue shall be deposited in the state treasury as nondedicated ~~general~~ *state government special revenue fund revenues*.

Sec. 6. Minnesota Statutes 1992, section 144.802, subdivision 1, is amended to read:

Subdivision 1. [LICENSES; CONTENTS, CHANGES, AND TRANSFERS.] No natural person, partnership, association, corporation or unit of government may operate an ambulance service within this state unless it possesses a valid license to do so issued by the commissioner. The license shall specify the base of operations, primary service area, and the type or types of ambulance service for which the licensee is licensed. The licensee shall obtain a new license if it wishes to establish a new base of operation, or to expand its primary service area, or to provide a new type or types of service. A license, or the ownership of a licensed ambulance service, may be transferred only after the approval of the commissioner, based upon a finding that the proposed licensee or proposed new owner of a licensed ambulance service meets or will meet the requirements of section 144.804. If the proposed transfer would result in a change in or addition of a new base of operations, expansion of the service's primary service area, or provision of a new type or types of ambulance service, the commissioner shall require the prospective licensee or owner to comply with subdivision 3. The commissioner may approve the license or ownership transfer prior to completion of the application process described in subdivision 3 upon obtaining written assurances from the proposed licensee or proposed new owner that no change in the service's base of operations, expansion of the service's primary service area, or provision of a new type or types of ambulance service will occur during the processing of the application. The cost of licenses shall be in an

amount prescribed by the commissioner pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122. *Fees collected shall be deposited to the trunk highway fund.*

Sec. 7. Minnesota Statutes 1992, section 144.98, subdivision 5, is amended to read:

Subd. 5. [LABORATORY CERTIFICATION ACCOUNT STATE GOVERNMENT SPECIAL REVENUE FUND.] There is an account in the special revenue fund called the laboratory certification account. Fees collected under this section and appropriations for the purposes of this section must be deposited in the laboratory certification account. Money in the laboratory certification account is annually appropriated to the commissioner of health to administer this section *state government special revenue fund.*

Sec. 8. Minnesota Statutes 1992, section 144A.071, is amended to read:

144A.071 [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes and the addition of more nursing home beds to the state's long-term care resources inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity is likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community. The legislature also finds that further increases in the number of licensed nursing home beds, especially in nursing homes not certified for participation in the medical assistance program, is contrary to public policy, because: (1) nursing home residents with limited resources may exhaust their resources more rapidly in these facilities, creating the need for a transfer to a certified nursing home, with the concomitant risk of transfer trauma; (2) a continuing increase in the number of nursing home beds will foster continuing reliance on institutional care to meet the long-term care needs of residents of the state; (3) a further expansion of nursing home beds will diminish incentives to develop more appropriate and cost-effective alternative services and divert community resources that would otherwise be available to fund alternative services; (4) through corporate reorganization resulting in the separation of certified and licensed beds, a nursing home may evade the provisions of section 256B.48, subdivision 1, clause (a); and (5) it is in the best interests of the state to ensure that the long-term care system is designed to protect the private resources of individuals as well as to use state resources most effectively and efficiently.

The legislature declares that a moratorium on the licensure and medical assistance certification of new nursing home beds and construction projects that exceed \$500,000 or 25 percent of a facility's appraised value is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Subd. 1a. [DEFINITIONS.] For purposes of sections 144A.071 to 144A.073, the following terms have the meanings given them:

(a) "attached fixtures" has the meaning given in Minnesota Rules, part 9549.0020, subpart 6.

(b) "buildings" has the meaning given in Minnesota Rules, part 9549.0020, subpart 7.

(c) "capital assets" has the meaning given in section 256B.421, subdivision 16.

(d) "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were applied for.

(e) "completion date" means the date on which a certificate of occupancy is issued for a construction project, or if a certificate of occupancy is not required, the date on which the construction project is available for facility use.

(f) "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules.

(g) "construction project" means:

(1) a capital asset addition to, or replacement of a nursing home or certified boarding care home that results in new space or the remodeling of or renovations to existing facility space;

(2) the remodeling or renovation of existing facility space the use of which is modified as a result of the project described in clause (1). This existing space and the project described in clause (1) must be used for the functions as designated on the construction plans on completion of the project described in clause (1) for a period of not less than 24 months; or

(3) capital asset additions or replacements that are completed within 12 months before or after the completion date of the project described in clause (1).

(h) "new licensed" or "new certified beds" means:

(1) newly constructed beds in a facility or the construction of a new facility that would increase the total number of licensed nursing home beds or certified boarding care or nursing home beds in the state; or

(2) newly licensed nursing home beds or newly certified boarding care or nursing home beds that result from remodeling of the facility that involves relocation of beds but does not result in an increase in the total number of

beds, except when the project involves the upgrade of boarding care beds to nursing home beds, as defined in section 144A.073, subdivision 1. "Remodeling" includes any of the type of conversion, renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1.

(i) "project construction costs" means the cost of the facility capital asset additions, replacements, renovations, or remodeling projects, construction site preparation costs, and related soft costs. Project construction costs also include the cost of any remodeling or renovation of existing facility space which is modified as a result of the construction project.

Subd. 2. [MORATORIUM.] The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new licensed or certified nursing home or certified boarding care beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3 or 4a, or section 144A.073. The total number of certified beds in the state shall remain at or decrease from the number of beds certified on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245A.01 to 245A.16 and section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.

In addition, the commissioner of health must not approve any construction project whose cost exceeds \$500,000, or 25 percent of the facility's appraised value, whichever is less, unless:

(a) any construction costs exceeding the lesser of \$500,000 or 25 percent of the facility's appraised value are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

(b) the project:

(1) has been approved through the process described in section 144A.073;

(2) meets an exception in subdivision 3 or 4a;

(3) is necessary to correct violations of state or federal law issued by the commissioner of health;

(4) is necessary to repair or replace a portion of the facility that was destroyed by fire, lightning, or other hazards provided that the provisions of subdivision 3 4a, clause (g) (a), are met; or

(5) as of May 1, 1992, the facility has submitted to the commissioner of health written documentation evidencing that the facility meets the "commenced construction" definition as specified in subdivision 3 1a, clause (b) (f), or that substantial steps have been taken prior to April 1, 1992, relating to the construction project. "Substantial steps" require that the facility has made

arrangements with outside parties relating to the construction project and include the hiring of an architect or construction firm, submission of preliminary plans to the department of health or documentation from a financial institution that financing arrangements for the construction project have been made;

(6) is a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass county and which is directly related to that portion of the facility that must be repaired, renovated, or replaced to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993; or

(7) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

Prior to the final plan approval of any construction project, the commissioner of health shall be provided with an itemized cost estimate for the project construction project costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioner and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioner, the total actual project construction costs for the construction project shall be submitted to the commissioner. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in clauses (1) to (7), the dollar threshold is \$500,000 or 25 percent of appraised value, whichever is less. For projects authorized after July 1, 1993, under clause (1), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under clauses (2) to (4), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

The commissioner of health shall adopt emergency or permanent rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073. The authority to adopt emergency rules continues to December 30, 1992.

Subd. 3. [EXCEPTIONS AUTHORIZING AN INCREASE IN BEDS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed license or certify a new bed in place of one decertified after ~~May 23, 1983~~ July 1, 1993, as long as the number of certified plus newly certified or recertified beds does not exceed the number of beds licensed or certified on July 1, 1993, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has

fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) (b) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; or

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the

facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility; provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less; or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) (c) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency long-term care planning committee under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation; provided:

(1) the nursing home beds are not certified for participation in the medical assistance program; and

(2) the relocation of nursing home beds under this clause should not exceed a radius of six miles;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building; or from a separate nursing home to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility; provided there is no net increase in the number of state nursing home beds. The relocated beds need not be licensed and certified at the new location simultaneously with the delicensing and

decertification of the old beds and may be licensed and certified at any time after the old beds are delicensed and decertified;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds;

(o) to certify or license new beds in a new facility on the Red Lake Indian Reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b);

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less; or to license as nursing home beds boarding care beds in a facility with an addendum to its provider agreement effective beginning July 1, 1983, if the boarding care beds to be upgraded meet the standards for nursing home licensure. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause;

(r) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or

renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements:

(s) to license or certify beds that are moved from a nursing home to a separate facility under common ownership or control that was formerly licensed as a hospital and is currently licensed as a nursing facility and that is located within eight miles of the original facility, provided the original nursing home building will no longer be operated as a nursing home. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation;

(t) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(u) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(v) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules; or

(w) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds.

Subd. 4. [MONITORING EXCEPTIONS FOR REPLACEMENT BEDS.] The commissioner of health, in coordination with the commissioner of human services, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984, and annually thereafter, an assessment of the impact of the moratorium by geographic area, with particular attention to service deficits or problems and a corrective action plan.

Subd. 4a. [EXCEPTIONS FOR REPLACEMENT BEDS.] *It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.*

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a

bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds; or

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to lay away all of its licensed and certified nursing home beds, which may be relicensed and recertified in a newly-constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature.

Subd. 5. [REPORT.] The commissioner of the state planning agency, in consultation with the commissioners of health and human services, shall report to the senate health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

(1) projections on the number of elderly Minnesota residents including medical assistance recipients;

(2) the number of residents most at risk for nursing home placement;

(3) the needs for long-term care and alternative home and noninstitutional services;

(4) availability of and access to alternative services by geographic region; and

(5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Subd. 6. [PROPERTY-RELATED PAYMENT RATES OF NEW BEDS.] *The property-related payment rates of nursing home or boarding care home beds certified or recertified under subdivision 3 or 4a, shall be adjusted according to Minnesota nursing facility reimbursement laws and rules unless the facility has made a commitment in writing to the commissioner of human services not to seek adjustments to these rates due to property-related expenses incurred as a result of the certification or recertification. Any licensure or certification action authorized under repealed statutes which were approved by the commissioner of health prior to July 1, 1993, shall remain in effect. Any conditions pertaining to property rate reimbursement covered by these repealed statutes prior to July 1, 1993, remain in effect.*

Subd. 7. [SUBMISSION OF COST INFORMATION.] *Before approval of final construction plans for a nursing home or a certified boarding care home construction project, the licensee shall submit to the commissioner of health an itemized statement of the project construction cost estimates.*

If the construction project includes a capital asset addition, replacement, remodeling, or renovation of space such as a hospital, apartment, or shared or common areas, the facility must submit to the commissioner an allocation of capital asset costs, soft costs, and debt information prepared according to Minnesota Rules, part 9549.

Project construction cost estimates must be prepared by a contractor or architect and other licensed participants in the development of the project.

Subd. 8. [FINAL APPROVAL.] *Before conducting the final inspection of the construction project required by Minnesota Rules, part 4660.0100, and issuing final clearances for use, the licensee shall provide to the commissioner of health the total project construction costs of the construction project. If total costs are not available, the most recent cost figures shall be provided. Final cost figures shall be submitted to the commissioner when*

available. The commissioner shall provide a copy of this information to the commissioner of human services.

Sec. 9. Minnesota Statutes 1992, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules, the interagency committee shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 3 4a, clause (j) (c). The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency committee within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

- (1) whether the request is for renovation, replacement, upgrading, or conversion;
- (2) a description of the problem the project is designed to address;
- (3) a description of the proposed project;
- (4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;
- (5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;
- (6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;
- (7) the proposed timetable for commencing construction and completing the project; and
- (8) other information required by rule of the commissioner of health.

Sec. 10. Minnesota Statutes 1992, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency long-term care planning committee for quality assurance may recommend that the commissioner of health grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee shall submit recommendations within 150 days of the date of the publication of the notice, based on a comparison and ranking of

proposals using the criteria in subdivision 4. The commissioner of health shall approve or disapprove a project within 30 days after receiving the committee's recommendations. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 3 *1a*, paragraph (b) (d). The committee's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Sec. 11. Minnesota Statutes 1992, section 144A.073, is amended by adding a subdivision to read:

Subd. 3b. [AMENDMENTS TO APPROVED PROJECTS.] (a) Nursing facilities that have received approval after July 1, 1993, for exceptions to the moratorium on nursing homes through the process described in this section may request amendments to the designs of the projects by writing the commissioner within 18 months of receiving approval. Applicants shall submit supporting materials that demonstrate how the amended projects meet the criteria described in paragraph (b).

(b) The commissioner shall approve requests for amendments according to the following criteria:

(1) the amended project designs must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions;

(2) the amended project designs may not reduce the space in each resident's living area or in the total amount of common space devoted to resident and family uses by more than five percent;

(3) the costs recognized for reimbursement of amended project designs shall be the threshold amount of the original proposal as identified according to section 144A.071, subdivision 2, except under conditions described in clause (4); and

(4) total costs up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if the proposer can document that one of the following circumstances is true:

(i) changes are needed due to a natural disaster;

(ii) conditions that affect the safety or durability of the project that could not have reasonably been known prior to approval are discovered;

(iii) state or federal law require changes in project design; or

(iv) documentable circumstances occur that are beyond the control of the owner and require changes in the design.

(c) Approval of a request for an amendment does not alter the expiration of approval of the project according to subdivision 3.

Sec. 12. Minnesota Statutes 1992, section 148C.01, subdivision 3, is amended to read:

Subd. 3. [OTHER TITLES.] For the purposes of sections 148C.01 to 148C.11 and 595.02, subdivision 1, all individuals, *except as provided in section 148C.11*, who practice, as ~~their main vocation~~, chemical dependency counseling as defined in subdivision 2, regardless of their titles, shall be covered by sections 148C.01 to 148C.11. This includes, but is not limited to, individuals who may refer to themselves as "alcoholism counselor," "drug abuse therapist," "chemical dependency recovery counselor," "chemical dependency relapse prevention planner," "addiction therapist," "chemical dependency intervention specialist," "family chemical dependency counselor," "chemical health specialist," "chemical health coordinator," and "substance abuse counselor."

Sec. 13. Minnesota Statutes 1992, section 148C.01, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of ~~human services health~~.

Sec. 14. Minnesota Statutes 1992, section 148C.02, is amended to read:

148C.02 [CHEMICAL DEPENDENCY COUNSELING LICENSING ADVISORY COUNCIL.]

Subdivision 1. [MEMBERSHIP; STAFF.] (a) The chemical dependency counseling licensing advisory council consists of 13 members. The ~~governor~~ commissioner shall appoint:

(1) *except for those members initially appointed*, seven members who must be licensed chemical dependency counselors;

(2) three members who must be public members as defined by section 214.02;

(3) one member who must be a director or coordinator of an accredited chemical dependency training program; and

(4) one member who must be a former consumer of chemical dependency counseling service and who must have received the service more than three years before the person's appointment.

The American Indian advisory committee to the department of human services chemical dependency office shall appoint the remaining member.

(b) *The provision of staff, administrative services, and office space are as provided in chapter 214.*

Subd. 2. [DUTIES.] ~~The council shall study the provision of chemical dependency counseling and advise the commissioner, the profession, and the public. The commissioner, after consultation with the advisory council, shall:~~

(1) *develop rules for the licensure of chemical dependency counselors; and*

(2) *administer or contract for the competency testing, licensing, and ethical review of chemical dependency counselors.*

Sec. 15. Minnesota Statutes 1992, section 148C.03, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner shall:

(a) adopt and enforce rules for licensure of chemical dependency counselors and for regulation of professional conduct. The rules must be designed to protect the public;

(b) adopt rules establishing standards and methods of determining whether applicants and licensees are qualified under section 148C.04. The rules must provide for examinations ~~and must~~; establish standards for professional conduct, including adoption of a professional code of ethics; *and provide for sanctions as described in section 148C.09*;

(c) hold examinations at least twice a year to assess applicants' knowledge and skills. The examinations ~~may~~ *must* be written ~~or~~ *and* oral and may be administered by the commissioner or by a nonprofit agency under contract with the commissioner to administer the licensing examinations. Examinations must minimize cultural bias and must be balanced in various theories relative to practice of chemical dependency;

(d) issue licenses to individuals qualified under sections 148C.01 to 148C.11;

(e) issue copies of the rules for licensure to all applicants;

(f) establish and implement procedures, including a standard disciplinary process and a code of ethics, to ensure that individuals licensed as chemical dependency counselors will comply with the commissioner's rules;

(g) establish, maintain, and publish annually a register of current licensees;

(h) establish initial and renewal application and examination fees sufficient to cover operating expenses of the commissioner;

(i) educate the public about the existence and content of the rules for chemical dependency counselor licensing to enable consumers to file complaints against licensees who may have violated the rules; and

(j) evaluate the rules in order to refine and improve the methods used to enforce the commissioner's standards.

Sec. 16. Minnesota Statutes 1992, section 148C.03, subdivision 2, is amended to read:

Subd. 2. [CONTINUING EDUCATION COMMITTEE.] The commissioner shall appoint *or contract for* a continuing education committee of five persons, including a chair, which shall advise the commissioner on the administration of continuing education requirements in section 148C.05, subdivision 2.

Sec. 17. Minnesota Statutes 1992, section 148C.03, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON MEMBERSHIP.] A member or an employee of the ~~department~~ *entity* that carries out the functions under this section may not be an officer, employee, or paid consultant of a trade association in the counseling services industry.

Sec. 18. Minnesota Statutes 1992, section 148C.04, subdivision 2, is amended to read:

Subd. 2. [FEE.] Each applicant shall pay a nonrefundable fee set by the

commissioner. Fees paid to the commissioner shall be deposited in the ~~general~~ *special revenue* fund.

Sec. 19. Minnesota Statutes 1992, section 148C.04, subdivision 3, is amended to read:

Subd. 3. [LICENSING REQUIREMENTS FOR CHEMICAL DEPENDENCY COUNSELOR; EVIDENCE.] (a) To be licensed as a chemical dependency counselor, an applicant must meet the requirements in clauses (1) to (3).

(1) Except as provided in subdivision 4, the applicant must have received an associate degree including 270 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

(2) The applicant must have completed a written ~~and oral~~ case presentation *and oral examination* that demonstrates competence in the 12 core functions.

(3) The applicant must have satisfactorily passed a written examination as established by the commissioner.

(b) To be licensed as a chemical dependency counselor, an applicant must furnish evidence satisfactory to the commissioner that the applicant has met the requirements of paragraph (a).

Sec. 20. Minnesota Statutes 1992, section 148C.04, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL LICENSING REQUIREMENTS.] Beginning five years after the effective date of ~~sections 148C.01 to 148C.11~~ *the rules authorized in section 148C.03, subdivision 1*, an applicant for licensure must have received a bachelor's degree in a human services area, and must have completed 480 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

Sec. 21. Minnesota Statutes 1992, section 148C.05, subdivision 2, is amended to read:

Subd. 2. [CONTINUING EDUCATION.] At the time of renewal, each licensee shall furnish evidence satisfactory to the commissioner that the licensee has completed ~~annually~~ at least the equivalent of 40 clock hours of continuing professional postdegree education every two years, in programs approved by the commissioner, and that the licensee continues to be qualified to practice under sections 148C.01 to 148C.11.

Sec. 22. Minnesota Statutes 1992, section 148C.06, is amended to read:

148C.06 [LICENSE WITHOUT EXAMINATION; TRANSITION PERIOD.]

For two years from ~~July 1, 1993~~ *the effective date of the rules authorized in section 148C.03, subdivision 1*, the commissioner shall issue a license without examination to an applicant if the applicant meets one of the following qualifications:

(a) is credentialed as a certified chemical dependency counselor (CCDC) or certified chemical dependency counselor reciprocal (CCDCR) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.;

(b) has three years or 6,000 hours of supervised chemical dependency counselor experience *as defined by the 12 core functions*, 270 clock hours of chemical dependency training, 300 hours of chemical dependency practicum, and has successfully completed a ~~written and oral test~~ *the requirements in section 148C.04, subdivision 3, paragraph (a), clauses (2) and (3);*

(c) has five years or 10,000 hours of chemical dependency counselor experience as defined by the 12 core functions, 270 clock hours of chemical dependency training, and has successfully completed a ~~written or oral test~~ *the requirements in section 148C.04, subdivision 3, paragraph (a), clause (2) or (3), or is credentialed as a certified chemical dependency practitioner (CCDP) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; or*

(d) has seven years or 14,000 hours of supervised chemical dependency counselor experience as defined by the 12 core functions and 270 clock hours of chemical dependency training with 60 hours of this training occurring within the past five years.

After July 1, 1995, Beginning two years after the effective date of the rules authorized in section 148C.03, subdivision 1, no person may be licensed without ~~passing the examination~~ meeting the requirements in section 148C.04, subdivision 3, paragraph (a), clauses (2) and (3).

Sec. 23. Minnesota Statutes 1992, section 148C.11, subdivision 3, is amended to read:

Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NON-PROFIT AGENCIES WITH A MINORITY FOCUS.] (a) The licensing of chemical dependency counselors who are employed by federally recognized tribes shall be voluntary.

(b) The commissioner shall develop special licensing criteria for issuance of a license to chemical dependency counselors who: (1) are members of ethnic minority groups; and (2) are employed by private, nonprofit agencies, including agencies operated by private, nonprofit hospitals, whose primary agency service focus addresses ethnic minority populations. These licensing criteria may differ from the licensing criteria specified in section 148C.04. To develop these criteria, the commissioner shall establish a committee comprised of *but not limited to* representatives from the council on hearing impaired, the council on affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Indian affairs council.

Sec. 24. Minnesota Statutes 1992, section 148C.11, is amended by adding a subdivision to read:

Subd. 5. [CITY, COUNTY, AND STATE AGENCY CHEMICAL DEPENDENCY COUNSELORS.] *The licensing of city, county, and state agency chemical dependency counselors shall be voluntary. City, county, and state agencies employing chemical dependency counselors shall not be required to employ licensed chemical dependency counselors, nor shall they require their chemical dependency counselors to be licensed.*

Sec. 25. Minnesota Statutes 1992, section 149.04, is amended to read:

149.04 [RENEWAL OF LICENSE.]

Any license may be renewed from time to time and shall be in force after such renewal for a period specified by the state commissioner of health upon

the payment of a renewal fee in an amount prescribed by the commissioner pursuant to section 144.122.

All fees received under this chapter shall be paid by the state commissioner of health to the credit of the ~~general~~ *state government special revenue fund* in the state treasury. The salaries of the necessary employees of the commissioner, the per diem of the inspectors and examiners, their expenses, and all incidental expenses of the commissioner in carrying out the provisions of this chapter shall be paid from the appropriations made to the state commissioner of health, but no expense or claim shall be incurred or paid in excess of the amount received from the fees herein provided.

Sec. 26, Minnesota Statutes 1992, section 157.045, is amended to read:

157.045 [INCREASE IN FEES.]

For licenses issued for 1989 and succeeding years, the commissioner of health shall increase license fees for facilities licensed under this chapter and chapter 327 to a level sufficient to recover all expenses related to the licensing, inspection, and enforcement activities prescribed in those chapters. In calculating the fee increase, the commissioner shall include the salaries and expenses of 5.5 new positions required to meet the inspection frequency prescribed in section 157.04. Fees collected must be deposited in the *state government special revenue account fund*.

Sec. 27, Minnesota Statutes 1992, section 214.04, subdivision 1, is amended to read:

Subdivision 1. [SERVICES PROVIDED.] The commissioner of administration with respect to the board of electricity, the commissioner of education with respect to the board of teaching, the commissioner of public safety with respect to the board of private detective and protective agent services, and the board of peace officer standards and training, and the commissioner of revenue with respect to the board of assessors, shall provide suitable offices and other space, joint conference and hearing facilities, examination rooms, and the following administrative support services: purchasing service, accounting service, advisory personnel services, consulting services relating to evaluation procedures and techniques, data processing, duplicating, mailing services, automated printing of license renewals, and such other similar services of a housekeeping nature as are generally available to other agencies of state government. Investigative services shall be provided the boards by employees of the office of attorney general. The commissioner of health with respect to the health-related licensing boards ~~and shall provide mailing and office supply services and may provide other facilities and services listed in this subdivision at a central location upon request of the health-related licensing boards.~~ The ~~chair of the department~~ commissioner of commerce with respect to the remaining non-health-related licensing boards shall provide the above facilities and services at a central location for the ~~health-related and remaining non-health-related licensing boards.~~ The legal and investigative services for the boards shall be provided by employees of the attorney general assigned to the departments servicing the boards. Notwithstanding the foregoing, the attorney general shall not be precluded by this section from assigning other attorneys to service a board if necessary in order to insure competent and consistent legal representation. Persons providing legal and investigative services shall to the extent practicable provide the services on a regular basis to the same board or boards.

Sec. 28. Minnesota Statutes 1992, section 214.06, subdivision 1, is amended to read:

Subdivision 1. [FEE ADJUSTMENT.] Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health-related licensing boards and all non-health-related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984, by the commissioner of health under the provisions of section 214.13, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules providing for registration of members of the occupation. All fees received shall be deposited in the state treasury. Fees received by the commissioner of health or health-related licensing boards must be credited to the health occupations licensing account in the state government special revenue fund.

Sec. 29. Minnesota Statutes 1992, section 214.06, is amended by adding a subdivision to read:

Subd. 3. [HEALTH-RELATED LICENSING BOARDS.] *Notwithstanding section 14.22, subdivision 1, clause (3), a public hearing is not required to be held when the health-related licensing boards need to raise fees to cover anticipated expenditures in a biennium. The notice of intention to adopt the rules, as required under section 14.22, must state that no hearing will be held.*

Sec. 30. Minnesota Statutes 1992, section 326.44, is amended to read:

326.44 [FEES PAID TO ~~GENERAL~~ STATE GOVERNMENT SPECIAL REVENUE FUND.]

All fees received under sections 326.37 to 326.45 shall be deposited by the state commissioner of health to the credit of the ~~general state government special revenue~~ fund in the state treasury. The salaries of the necessary employees of the commissioner and the per diem of the inspectors and examiners hereinbefore provided, their expenses and all incidental expenses of the commissioner in carrying out the provisions of sections 326.37 to 326.45, shall be paid, from the appropriations made to the state commissioner of health, but no expense or claim shall be incurred or paid in excess of the amount received from the fees herein provided.

Sec. 31. Minnesota Statutes 1992, section 326.75, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the ~~general state government special revenue~~ fund.

Sec. 32. [NURSE PRACTITIONER PROMOTION TEAMS.]

The commissioner of health, through the office of rural health, shall establish nurse practitioner promotion teams, consisting of one nurse practitioner and one physician who are practicing jointly. The promotion teams shall travel to rural communities and provide physicians, medical clinic administrators, and other interested parties with information on: the benefits

of joint practices between nurse practitioners and physicians and methods of establishing and maintaining joint practices. The office of rural health shall contract with promotion teams to visit up to 20 rural communities during the biennium ending June 30, 1995. The office of rural health shall provide members of promotion teams with stipends for their time and travel expenses not to exceed the amount specified in Minnesota Statutes, section 15.059, subdivision 3.

Sec. 33. [STUDY OF NURSING HOME BED DISTRIBUTION.]

The interagency long-term care planning committee must submit to the legislature by February 1, 1994, recommendations for facilitating the redistribution of existing nursing home beds and certified boarding care home beds to meet demographic need, including recommendations on the concepts of bed layaway and bed transfer. The committee shall convene a task force of providers, consumers, and state officials to provide the recommendations.

Sec. 34. [REPEALER.]

Minnesota Statutes 1992, section 148B.72, is repealed effective June 30, 1993.

ARTICLE 3

DEPARTMENT OF HUMAN SERVICES FINANCE
AND ADMINISTRATION

Section 1. Minnesota Statutes 1992, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392.

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 2. Minnesota Statutes 1992, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993, 1994, and 1995 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, and 1993, 1994; and 1995 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January 1994 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994 1996. For the period of February 1, 1994 1996, through July 31, 1994 1996, payment of the base amount shall be made on or before July 10, 1994 1996, and payment of the growth amount over the base amount shall be made on or before July 10, 1994 1996. Payments for the period August 1994 1996 through December 1994 1996 shall be made on or before the third of each month thereafter through December 31, 1994 1996.

(c) Payment for the county share of county agency expenditures during January 1995 1997 shall be made on or before January 3, 1995 1997. Payment for 1/24 of the base amount and the February 1995 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before February 3, 1995 1997. For the period of March 1, 1995 1997, through July 31, 1995 1997, payment of the base amount shall be made on or before July 10, 1995 1997, and payment of the growth amount over the base amount shall be made on or before July 10, 1995 1997. Payments for the period August 1995 1997 through December 1995 1997 shall be made on or before the third of each month thereafter through December 31, 1995 1997.

(d) Monthly payments for the county share of county agency expenditures from January 1996 1998 through February 1996 1998 shall be made on or before the third of each month through February 1996 1998. Payment for 1/24 of the base amount and the March 1996 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996 1998. For the period of April 1, 1996 1998, through July 31, 1996 1998, payment of the base amount shall be made on or before July 10, 1996 1998, and payment of the growth amount over the base amount shall be made on or before July 10, 1996 1998. Payments for the period August 1996 1998 through December 1996 1998 shall be made on or before the third of each month thereafter through December 31, 1996 1998.

(e) Monthly payments for the county share of county agency expenditures from January 1997 1999 through March 1997 1999 shall be made on or before the third of each month through March 1997 1999. Payment for 1/24 of the base amount and the April 1997 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997 1999. For the period of May 1, 1997 1999,

through July 31, ~~1997~~ 1999, payment of the base amount shall be made on or before July 10, ~~1997~~ 1999, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1997~~ 1999. Payments for the period August ~~1997~~ 1999 through December ~~1997~~ 1999 shall be made on or before the third of each month thereafter through December 31, ~~1997~~ 1999.

(f) Monthly payments for the county share of county agency expenditures from January ~~1998~~ 2000 through April ~~1998~~ 2000 shall be made on or before the third of each month through April ~~1998~~ 2000. Payment for 1/24 of the base amount and the May ~~1998~~ 2000 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, ~~1998~~ 2000. For the period of June 1, ~~1998~~ 2000, through July 31, ~~1998~~ 2000, payment of the base amount shall be made on or before July 10, ~~1998~~ 2000, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1998~~ 2000. Payments for the period August ~~1998~~ 2000 through December ~~1998~~ 2000 shall be made on or before the third of each month thereafter through December 31, ~~1998~~ 2000.

(g) Monthly payments for the county share of county agency expenditures from January ~~1999~~ 2001 through May ~~1999~~ 2001 shall be made on or before the third of each month through May ~~1999~~ 2001. Payment for 1/24 of the base amount and the June ~~1999~~ 2001 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, ~~1999~~ 2001. Payments for the period July ~~1999~~ 2001 through December ~~1999~~ 2001 shall be made on or before the third of each month thereafter through December 31, ~~1999~~ 2001.

(h) Effective January 1, ~~2000~~ 2002, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 3. [256.026] [ANNUAL APPROPRIATION.]

(a) *There shall be appropriated from the general fund to the commissioner of human services in fiscal year 1994 and each fiscal year thereafter the amount of \$142,339,359, which is the sum of the amount of human services aid determined for all counties in Minnesota for calendar year 1992 under Minnesota Statutes 1992, section 273.1398, subdivision 5a, before any adjustments for calendar year 1991.*

(b) *In addition to the amount in paragraph (a), there shall also be annually appropriated to the commissioner of human services in fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 the amount of \$5,930,807.*

(c) *The amounts appropriated under paragraphs (a) and (b) shall be used with other appropriations to make payments required under section 256.025 for fiscal year 1994 and thereafter.*

Sec. 4. Minnesota Statutes 1992, section 273.1392, is amended to read:

273.1392 [PAYMENT; SCHOOL DISTRICTS; COUNTIES.]

(4) ~~[AIDS TO SCHOOL DISTRICTS.]~~ The amounts of conservation tax credits under section 273.119; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; homestead credit under section 273.13; aids and credits under section 273.1398;

enterprise zone property credit payments under section 469.171; and metropolitan agricultural preserve reduction under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10.

~~(2) [AIDS TO COUNTIES.] The amounts of human services aid increase determined under section 273.1398, subdivision 5b, shall be deposited in a human services aid account hereby created as an account within the state's general fund. The amount within the account shall annually be transferred to the department of human services by the department of revenue. The amounts so transferred shall be paid according to section 256.025.~~

Sec. 5. Minnesota Statutes 1992, section 273.1398, subdivision 5b, is amended to read:

Subd. 5b. [STATE AID FOR COUNTY HUMAN SERVICES COSTS.] (a) Human services aid increase for each county equals an amount representing the county's costs for human services programs cited in subdivision 1, paragraph (i). The amount of the aid increase is calculated as provided in this section. ~~The aid increase shall be deposited in the human services account created pursuant to section 273.1392.~~

(b) On July 15, 1990, each county shall certify to the department of revenue the estimated difference between the county's base amount costs as defined in section 256.025 for human services programs cited in subdivision 1, paragraph (i), for calendar year 1990 and human services program revenues from all nonproperty tax sources excluding revenue from state and federal payments for the programs listed in subdivision 1, paragraph (i), and revenue from incentive programs pursuant to sections 256.019, 256.98, subdivision 7, 256D.06, subdivision 5, 256D.15, and 256D.54, subdivision 3, used at the time the levy was certified in 1989. At that time each county may revise its estimate for taxes payable in 1990 for purposes of this subdivision. The human services program estimates provided pursuant to this clause shall only include those costs and related revenues up to the extent the county provides benefits within statutory mandated standards. This amount shall be the county's human services aid amount under this section.

(c) On July 15, 1991, each county shall certify to the department of revenue the actual difference between the county's human services program costs and nonproperty tax revenues as provided in paragraph (b) for calendar year 1990. If the actual difference is larger than the estimated difference as calculated in paragraph (b), the aid amount for the county shall be increased by that amount. If the actual difference is smaller than the estimated difference as calculated in paragraph (b), the aid amount to the county shall be reduced by that amount.

~~(d) On January 1, 1991, the department of finance shall certify to the department of revenue the estimated amount of county receipts deducted from county human services expenditures pursuant to Minnesota Statutes 1988, section 287.12, in calendar year 1990. This amount shall be added to the human services aid increase amount under this section.~~

Sec. 6. Minnesota Statutes 1992, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1, except for the equalization levies defined in section 273.1398, subdivision 2a, paragraph (a), by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, ~~reduced by the amount under section 273.1398, subdivision 5a~~; fiscal disparity homestead and agricultural credit aid under section 273.1398, subdivision 2b; and equalization aid certified by section 477A.013, subdivision 5.

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 273.1398, subdivisions 5a and 5c, are repealed.

ARTICLE 4

SOCIAL SERVICES

Section 1. Minnesota Statutes 1992, section 254A.17, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE DETOXIFICATION TRANSPORTATION PROGRAM.] The commissioner shall provide grants to counties, Indian reservations, other nonprofit agencies, or local detoxification programs for provision of transportation of intoxicated individuals to detoxification programs *to open shelters, and to secure shelters as defined in section 254A.085 and to shelters serving intoxicated persons.* ~~Funds shall be allocated among counties annually in proportion to each county's average number of detoxification admissions for the prior two years~~ *In state fiscal years 1994 and 1995, funds shall be allocated to counties in proportion to each county's allocation in fiscal year 1993, except that no county shall receive less than \$400.* Unless a county has approved a grant of funds under this section, the commissioner shall make quarterly payments of detoxification funds to a county only after receiving an invoice describing the number of persons transported and the cost of transportation services for the previous quarter.

Sec. 2. [AUTHORIZATION FOR DEMONSTRATION PROJECT.]

The commissioner of human services shall allow Pine county to send a letter of intent in lieu of completing a grant application to apply for categorical social service funding as part of a four-year intergovernmental agreement demonstration project. The demonstration project is an alternative method of obtaining social service funding which is part of a larger project to simplify and consolidate social services planning and reporting in Pine county. The demonstration project is an effort to streamline planning and remove administrative burdens on smaller counties.

Sec. 3. [SOCIAL SERVICE PLAN.]

Pine county must amend its social service plan within 12 months of receiving funding to incorporate the requirements of the grant application process into the social service plan.

Sec. 4. [COMPLIANCE AND MONITORING.]

The commissioner may terminate the demonstration project if Pine county is not using the categorical funding for the intended purpose. The commis-

sioner shall send Pine county a 60-day notice and provide an opportunity for Pine county to appeal before terminating the project.

Sec. 5. [REPORT.]

The commissioner shall report to the legislature annually beginning January 1, 1995. The report shall evaluate Pine county's intergovernmental agreements project and also the advantages of the alternative funding process for counties with a population under 30,000.

ARTICLE 5

DEVELOPMENTAL DISABILITIES

Section 1. Minnesota Statutes 1992, section 252.275, subdivision 8, is amended to read:

Subd. 8. [USE OF FEDERAL FUNDS AND TRANSFER OF FUNDS TO MEDICAL ASSISTANCE.] (a) The commissioner shall make every reasonable effort to maximize the use of federal funds for semi-independent living services.

(b) The commissioner shall reduce the payments to be made under this section to each county from January 1, 1994, to June 30, 1996, by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home- and community-based waiver program under section 256B.092 from January 1, 1994, to June 30, 1996, for clients for whom the county is financially responsible and who have been transferred by the county from the semi-independent living services program to the home- and community-based waiver program. Unless otherwise specified, all reduced amounts shall be transferred to the medical assistance state account.

(c) For fiscal year 1997, the base appropriation available under this section shall be reduced by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home- and community-based waiver program authorized in section 256B.092 from January 1, 1995, to December 31, 1995, for persons who have been transferred from the semi-independent living services program to the home- and community-based waiver program. The base appropriation for the medical assistance state account shall be increased by the same amount.

(d) For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1996 allocations, each county's original allocation for calendar year 1995 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on June 30, 1995. For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1997 allocations, each county's original allocation for calendar year 1996 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on June 30, 1996.

Sec. 2. [252B.151] [EXPANSION OF HOME- AND COMMUNITY-BASED SERVICES.]

(a) The commissioner shall expand availability of home- and community-based services for persons with mental retardation and related conditions to the extent allowed by federal law and regulation and shall assist counties in

transferring persons from semi-independent living services to home- and community-based services. The commissioner may transfer funds from the state semi-independent living services account available under section 252.275, subdivision 8, and state community social services aids available under section 256E.20 to the medical assistance account to pay for the nonfederal share of home- and community-based services authorized under section 256B.092 for persons transferring from semi-independent living services.

(b) Upon federal approval, county boards are not responsible for funding semi-independent living services as a social service for those persons who have transferred to the home- and community-based waiver program as a result of the expansion under this subdivision. The county responsibility for those persons transferred shall be assumed under section 256B.092. Notwithstanding the provisions of section 252.275, the commissioner shall continue to allocate funds under that section for semi-independent living services and county boards shall continue to fund services under sections 256E.06 and 256E.14 for those persons who cannot access home- and community-based services under section 256B.092.

(c) Eighty percent of the state funds made available to the commissioner under section 252.275 as a result of persons transferring from the semi-independent living services program to the home- and community-based services program shall be used to fund additional persons in the semi-independent living services program.

Sec. 3. [256E.20] [TRANSFER OF FUNDS TO MEDICAL ASSISTANCE.]

(a) The commissioner shall reduce the payment to be made under sections 256E.06 and 256E.14 to each county on July 1, 1994, by the amount of the state share of medical assistance reimbursement for residential services provided under the home- and community-based waiver program authorized in section 256B.092 from January 1, 1994, to March 31, 1994, for clients for whom the county is financially responsible and have transferred from the semi-independent living services program to the home- and community-based waiver program. For the purposes of this section, residential services include supervised living, in-home support, and respite care services. The commissioner shall similarly reduce the payments to be made between October 1, 1994, and December 31, 1996, for the quarters between April 1, 1994, and June 30, 1996. All reduced amounts shall be transferred to the medical assistance state account.

(b) Beginning fiscal year 1997, the appropriation under sections 256E.06 and 256E.14 shall be reduced by the amount of the state share of medical assistance reimbursement for residential services provided under the home- and community-based-waiver program under section 256B.092 from January 1, 1995, to December 31, 1995, for persons who have transferred from the semi-independent living services program to the home- and community-based waiver program. The base appropriation for the medical assistance state account shall be increased by the same amount.

(c) Eighty percent of community social service funds made available to county boards as a result of persons transferring from the semi-independent living services program to the home- and community-based services shall be used to fund additional services to persons with mental retardation or related conditions.

Sec. 4. [EXEMPTION FROM RULES GOVERNING DAY TRAINING AND HABILITATION SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Until the commissioner of human services adopts consolidated licensing rules, providers of day training and habilitation services are exempt from the following Minnesota Rules:

- (1) part 9525.1540;
- (2) part 9525.1550, subparts 2, items C and D; 3; 4, items B to E; 5; 9 to 11; and 13;
- (3) part 9525.1590, subpart 2, item C;
- (4) part 9525.1600, subpart 9;
- (5) part 9525.1610, subpart 2;
- (6) part 9525.1640, subparts 1, items A and F; and 2;
- (7) part 9525.1650, subpart 1;
- (8) part 9525.1660; subparts 8 and 12; and
- (9) part 9525.1670, subparts 1 to 3 and 5.

Sec. 5. [AUTHORITY TO SEEK FEDERAL WAIVER.]

Subdivision 1. [AUTHORITY.] The commissioner of human services may seek federal waivers necessary to implement an integrated management and planning system for persons with mental retardation or related conditions that would enable the commissioner to achieve the goals outlined in subdivisions 2 to 4.

Subd. 2. [COMPREHENSIVE REFORM.] The system shall include new methods of administering services for persons with mental retardation or related conditions that support the needs of the persons and their families in the community to the maximum extent possible by.

Subd. 3. [SERVICE ACCESS AND COORDINATION.] The system must include procedural requirements for accessing services that are simple and easily understood by the person or their legal representative if any. Where duplicative, the requirements shall be unified or streamlined, as appropriate. Service coordination activities shall be flexible to allow the person's needs and preferences to be met.

Subd. 4. [REGULATORY STANDARDS AND QUALITY ASSURANCE.] Regulatory standards requiring unnecessary paperwork, determined to be duplicative, or which are ineffective in establishing accountability in service delivery shall be eliminated. Quality assurance methods shall continue to include safeguards to ensure the health and welfare of persons receiving services.

Subd. 5. [REPORT.] The commissioner shall report to the legislature by January 1, 1994, on the results of the waiver request. If the waiver is approved, the report must include recommendations to implement the waiver, including budget recommendations, proposed strategies, and implementation timelines.

Sec. 6. [DELAYED RULE IMPLEMENTATION.]

The commissioner shall promulgate rules to implement Minnesota Statutes, sections 252.40 to 252.47, effective July 1, 1994.

Sec. 7. [DOWNSIZING.]

The commissioner of human services may authorize a pilot project creating community-based short-term alternative services in Olmsted county for persons with overriding health care needs by reconfiguring the capacity of a 43-bed intermediate care facility for persons with mental retardation or related conditions. The commissioner may:

(1) authorize relocation of an alternative home- and community-based services for up to 20 residents of an existing 43-bed intermediate care facility for persons with mental retardation or related conditions; and

(2) adjust the program operating cost rate of the facility under Minnesota Rules, part 9553.0050, subpart 3, as necessary to implement the project.

For the purpose of this pilot project, the average medical assistance rate for the home- and community-based services shall not exceed the rate made available, under Laws 1992, chapter 513, article 5, section 2, to residents of intermediate care facilities for persons with mental retardation or related conditions who are relocated to alternative home- and community-based services. This pilot project shall primarily serve persons who are the responsibility of Olmsted county and other counties in economic development region 10. This project must be approved by the commissioner under Minnesota Statutes, section 252.28, and must include criteria for determining how individuals are selected for alternative services and the use of a request for proposal process. The commissioner shall report to the legislature on the cost-effectiveness of the pilot project, by January 1, 1995.

Sec. 8. [DOWNSIZING PILOT PROJECT.]

The commissioner of human services shall establish a pilot project in Wabasha county to downsize two existing eight-bed intermediate care facilities for persons with mental retardation or related conditions in Lake City and Wabasha to six beds in each facility. The project must be approved by the commissioner under Minnesota Statutes, section 252.28, and must include criteria for determining how individuals are selected for alternative services and the use of a request for proposal process in selecting vendors for alternative services. The project must include:

(1) development and provision of alternative services, including approval of four additional waiver slots for adult foster care, for the residents being relocated; and

(2) adjustment of each facility's program operating cost rate, determined under Minnesota Rules, part 9553.0050, subpart 3, as necessary to implement the project.

After downsizing, each facility's total allowable operating costs must not exceed the total allowable operating costs before downsizing. Property-related costs and special operating costs may be redistributed but must be based on the actual costs reflected in existing rates. For the purpose of this project, the average medical assistance rate for home- and community-based services must not exceed the rate made available under Laws 1992, chapter 513, article 5.

Sec. 9. [DOWNSIZING PILOT PROJECT.]

The commissioner of human services shall establish a pilot project in Cottonwood county to downsize to 21 beds an existing 45-bed intermediate care facility for persons with mental retardation or related conditions. The project must be approved by the commissioner under Minnesota Statutes, section 252.28, and must include criteria for determining how individuals are selected for alternative services and the use of a request for proposal process in selecting the vendors for alternative services. The project must include:

- (1) alternative services for the residents being relocated;*
- (2) timelines for resident relocation and decertification of beds; and*
- (3) adjustment of the facility's program operating cost rate under Minnesota Rules, part 9553.0050, subpart 3, as necessary to implement the project.*

After downsizing, the facility's total allowable operating costs must not exceed the total allowable operating costs before downsizing. Property-related costs and special operating costs may be redistributed but must be distributed at the current per bed limitation applied to facilities put into service in 1993. For the purpose of this project, the average medical assistance rate for home- and community-based services must not exceed the rate made available under Laws 1992, chapter 513, article 5.

Sec. 10. [DOWNSIZING PILOT PROJECT.]

The commissioner of human services shall establish a pilot project in Polk county to downsize an existing ten-bed intermediate care facility for persons with mental retardation or related conditions in East Grand Forks to six beds. The project must be approved by the commissioner under Minnesota Statutes, section 252.28, and must include criteria for determining how individuals are selected for alternative services and the use of a request for proposal process in selecting the vendors for alternative services. The project must include:

- (1) development and provision of alternative services, for the residents being relocated; and*
- (2) adjustment of the facility's program operating cost payment rate, determined under Minnesota Rules, part 9553.0050, subpart 3, as necessary to implement the project. For the purpose of this project, the average medical assistance rate for home- and community-based services must not exceed the rate made available under Laws 1992, chapter 513, article 5.*

ARTICLE 6

HEALTH CARE ADMINISTRATION

Section 1. Minnesota Statutes 1992, section 62A.045, is amended to read:

62A.045 [PAYMENTS ON BEHALF OF WELFARE RECIPIENTS.]

No policy of accident and sickness insurance regulated under this chapter; vendor of risk management services regulated under section 60A.23; non-profit health service plan corporation regulated under chapter 62C; health maintenance organization regulated under chapter 62D; or self-insured plan regulated under chapter 62E shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to chapter 256; 256B; or 256D or services pursuant to section 252.27; 256.9351 to 256.9361; 260.251, subdivision 1a; or 393.07, subdivision 1 or 2. *No insurer providing benefits under policies*

covered by this section shall use eligibility for medical programs named in this section as an underwriting guideline or reason for nonacceptance of the risk.

Notwithstanding any law to the contrary, when a person covered under a policy of accident and sickness insurance, risk management plan, nonprofit health service plan, health maintenance organization, or self-insured plan receives medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. If a person was receiving medical benefits through the department of human services at the time a service was provided, the provider must indicate this benefit coverage on any claim forms submitted by the provider to the insurer for those services. If the commissioner of human services notifies the insurer that the commissioner has made payments to the provider, payment for benefits or notices of denials issued by the insurer must be issued directly to the commissioner. Submission by the department to the insurer of the claim on a department of human services claim form is proper notice and shall be considered proof of payment of the claim to the provider and supersedes any contract requirements of the insurer relating to the form of submission. Liability to the insured for coverage is satisfied to the extent that payments for those benefits are made by the insurer to the provider or the commissioner.

Sec. 2. Minnesota Statutes 1992, section 147.01, subdivision 6, is amended to read:

Subd. 6. [LICENSE SURCHARGE.] In addition to any fee established under section 214.06, the board shall assess an annual license surcharge of \$400 against each physician licensed under this chapter *on or after April 1, 1992*, as follows:

(1) a physician whose license is issued or renewed between April 1 and September 30 shall be billed on or before November 15, and the physician must pay the surcharge by December 15; and

(2) a physician whose license is issued or renewed between October 1 and March 31 shall be billed on or before May 15, and the physician must pay the surcharge by June 15.

The board shall provide that the surcharge payment must be remitted to the commissioner of human services to be deposited in the general fund under section 256.9656. The board shall not renew the license of a physician who has not paid the surcharge required under this section. The board shall promptly provide to the commissioner of human services upon request information available to the board and specifically required by the commissioner to operate the provider surcharge program. The board shall limit the surcharge to physicians residing in Minnesota and the states contiguous to Minnesota upon notification from the commissioner of human services that the federal government has approved a waiver to allow the surcharge to be applied in that manner.

Sec. 3. Minnesota Statutes 1992, section 147.02, subdivision 1, is amended to read:

Subdivision 1. [UNITED STATES OR CANADIAN MEDICAL SCHOOL GRADUATES.] The board shall, with the consent of six of its members, issue a license to practice medicine to a person who meets the following requirements:

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the national board of medical examiners or the federation of state medical boards. The board shall by rule determine what constitutes a passing score in the examination.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.

(e) The applicant shall make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee may not be refunded. *Upon application or notice of license renewal, the board must provide notice to the applicant and to a person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:*

(1) state the dollar amount of the additional costs;

(2) clearly identify to the applicant the payment schedule of additional costs; and

(3) advise the applicant of the right to apply to be excused from the surcharge if a waiver is granted under section 256.9657, subdivision 1b, or relinquish the license to practice medicine in lieu of future payment if applicable.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee. If the applicant does not satisfy the requirements of this paragraph, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

Sec. 4. Minnesota Statutes 1992, section 246.18, subdivision 4, is amended to read:

Subd. 4. [COLLECTIONS DEPOSITED IN MEDICAL ASSISTANCE ACCOUNT THE GENERAL FUND.] Except as provided in subdivisions 2 and 5, all receipts from collection efforts for the regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be deposited in the medical assistance account and are

appropriated for that purpose general fund. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 5. Minnesota Statutes 1992, section 256.015, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages to the injured person when the state agency has paid for or become liable for the cost of medical care or payments related to the injury. Notice must be given as follows:

(a) Applicants for public assistance shall notify the state or county agency of any possible claims they may have against a person, firm, or corporation when they submit the application for assistance. Recipients of public assistance shall notify the state or county agency of any possible claims when those claims arise.

(b) A person providing medical care services to a recipient of public assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) A person who is a party to a claim upon which the state agency may be entitled to a lien under this section shall notify the state agency of its potential lien claim before filing a claim, commencing an action, or negotiating a settlement. *A person who is a party to a claim includes the plaintiff, the defendants, and any other named party to the cause of action.*

Notice given to the county agency is not sufficient to meet the requirements of paragraphs (b) and (c).

Sec. 6. Minnesota Statutes 1992, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. [NURSING HOME LICENSE SURCHARGE.] Effective ~~October 1, 1992~~ *July 1, 1993*, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as ~~\$535~~ *\$720* per licensed bed licensed on the previous July 1, except that. If the number of licensed beds is reduced after July 1 but prior to August 1, the surcharge shall be based on the number of remaining licensed beds *the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. A nursing home entitled to a reduction in the number of beds subject to the surcharge under this provision must demonstrate to the satisfaction of the commissioner by August 5 that the number of beds has been reduced. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. Beds on lay-away status continue to be subject to the surcharge. The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.*

Sec. 7. Minnesota Statutes 1992, section 256.9657, is amended by adding a subdivision to read:

Subd. 1b. [PHYSICIAN SURCHARGE WAIVER REQUEST.] (a) The commissioner shall request a waiver from the secretary of health and human services to exclude from the surcharge under section 147.01, subdivision 6, a physician whose license is issued or renewed on or after April 1, 1993, and who:

(1) provides physician services at a free clinic, community clinic, or in an underdeveloped foreign nation and does not charge for any physician services;

(2) has taken a leave of absence of at least one year from the practice of medicine but who intends to return to the practice in the future;

(3) is unable to practice medicine because of terminal illness or permanent disability as certified by an attending physician;

(4) is unemployed; or

(5) is retired.

(b) If a waiver is approved under this subdivision, the commissioner shall direct the board of medical practice to adjust the physician license surcharge under section 147.01, subdivision 6, accordingly.

Sec. 8. Minnesota Statutes 1992, section 256.9657, is amended by adding a subdivision to read:

Subd. 1c. [WAIVER IMPLEMENTATION.] If a waiver is approved under subdivision 1b, the commissioner shall implement subdivision 1b as follows:

(a) The commissioner, in cooperation with the board of medical practice, shall notify each physician whose license is scheduled to be issued or renewed between April 1 and September 30 that an application to be excused from the surcharge must be received by the commissioner prior to September 1 of that year for the period of 12 consecutive calendar months beginning December 15. For each physician whose license is scheduled to be issued or renewed between October 1 and March 31, the application must be received from the physician by March 1 for the period of 12 consecutive calendar months beginning June 15. For each physician whose license is scheduled to be issued or renewed prior to July 1, 1993, the commissioner shall make the notification required in this paragraph by July 1, 1993. For each physician whose license is scheduled to be issued or renewed on or after July 1, 1993, the notification must accompany the notice of license renewal.

(b) The commissioner shall establish an application form for waiver applications. Each physician who applies to be excused from the surcharge under subdivision 1b, paragraph (a), clause (1), must include with the application:

(1) a statement from the operator of the facility at which the physician provides services; that the physician provides services without charge; and

(2) a statement by the physician that the physician will not charge for any physician services during the period for which the exemption from the surcharge is granted.

Each physician who applies to be excused from the surcharge under

subdivision 1b, paragraph (a), clauses (2) to (5), must include with the application:

(i) the physician's own statement certifying that the physician does not intend to practice medicine and will not charge for any physician services during the period for which the exemption from the surcharge is granted;

(ii) the physician's own statement describing in general the reason for the leave of absence from the practice of medicine and the anticipated date when the physician will resume the practice of medicine, if applicable;

(iii) an attending physician's statement certifying that the applicant has a terminal illness or permanent disability, if applicable; and

(iv) the physician's own statement indicating on what date the physician retired or became unemployed, if applicable.

(c) The commissioner shall notify in writing the physicians who are excused from the surcharge under subdivision 1b.

(d) A physician who decides to charge for physician services prior to the end of the period for which the exemption from the surcharge has been granted under subdivision 1b, paragraph (a), clause (1), or to return to the practice of medicine prior to the end of the period for which the exemption from the surcharge has been granted under subdivision 1b, paragraph (a), clause (2), (4), or (5), may do so by notifying the commissioner and shall be responsible for payment of the full surcharge for that period.

(e) Whenever the commissioner determines that the number of physicians likely to be excused from the surcharge under subdivision 1b may cause the physician surcharge to violate the requirements of Public Law Number 102-234 or regulations adopted under that law, the commissioner shall immediately notify the chairs of the senate health care committee and health care and family services funding division and the house of representatives human services committee and human services funding division.

Sec. 9. Minnesota Statutes 1992, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] *(a) Effective October 1, 1992, each Minnesota hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to 1.4 percent of net patient revenues excluding net Medicare revenues reported by that provider to the health care cost information system according to the schedule in subdivision 4.*

(b) Effective July 1, 1994, the surcharge under paragraph (a) is increased to 1.8 percent.

Sec. 10. Minnesota Statutes 1992, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION SURCHARGE.] *(a) Effective October 1, 1992, each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D shall pay to the commissioner of human services a surcharge equal to six-tenths of one percent of the total premium revenues of the health maintenance organization as reported to the commissioner of health according to the schedule in subdivision 4.*

(b) *Effective July 1, 1994, the surcharge under paragraph (a) is increased to .85 percent.*

(c) *For purposes of this subdivision, total premium revenue means:*

(1) *premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time, normally one month, excluding premiums paid to an HMO from the Federal Employees Health Benefit Program (FEHBP);*

(2) *premiums from Medicare Wraparound subscribers for health benefits which supplement Medicare coverage;*

(3) *Title XVIII Medicare revenue, as a result of an arrangement between an HMO and the Health Care Financing Administration, for services to a Medicare beneficiary; and*

(4) *Title XIX Medicaid revenue, as a result of an arrangement between an HMO and a Medicaid state agency, for services to a Medicaid beneficiary.*

If advance payments are made under item (1) or (2) to the HMO for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

Sec. 11. Minnesota Statutes 1992, section 256.9657, is amended by adding a subdivision to read:

Subd. 3a. [INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION SURCHARGE.] Effective August 1, 1993, each nonstate-operated facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for persons with mental retardation or related conditions shall pay to the commissioner a surcharge equal to .7 percent of gross revenues according to the schedule in subdivision 4. Payments under this subdivision are an allowable cost for purposes of section 256B.501.

Sec. 12. Minnesota Statutes 1992, section 256.9657, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS INTO THE ACCOUNT.] Payments to the commissioner under subdivisions 1 to 3 must be paid in monthly installments due on the 15th of the month beginning October 15, 1992. The monthly payment must be equal to the annual surcharge divided by 12. Payments to the commissioner under subdivisions 2 and 3 for fiscal year 1993 must be based on calendar year 1990 revenues. Effective July 1 of each year, beginning in 1993, payments under subdivisions 2 and 3 must be based on revenues earned in the second previous calendar year. Payments under subdivision 3a must be paid in monthly installments due on the 15th of the month, beginning August 15, 1993. The monthly payment must be equal to the annual surcharge divided by 12. Payments under subdivision 3a must be based on revenues received by the facility in calendar year 1992.

Sec. 13. Minnesota Statutes 1992, section 256.9657, subdivision 7, is amended to read:

Subd. 7. [COLLECTION; CIVIL PENALTIES.] The provisions of sections 289A.35 to 289A.50 relating to the authority to audit, assess, collect, and pay refunds of other state taxes may be implemented by the commissioner of

human services with respect to the tax, penalty, and interest imposed by this section and section 147.01, subdivision 6. The commissioner of human services shall impose civil penalties for violation of this section or section 147.01, subdivision 6, as provided in section 289A.60, and the tax and penalties are subject to interest at the rate provided in section 270.75. *The commissioner of human services shall have the power to abate penalties and interest when discrepancies occur resulting from, but not limited to, circumstances of error and mail delivery. The commissioner of human services shall bring appropriate civil actions to collect provider payments due under this section and section 147.01, subdivision 6.*

Sec. 14. Minnesota Statutes 1992, section 256.9685, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. The medical assistance payment rates must be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of recipients in efficiently and economically operated hospitals. Services must meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), to be eligible for payment except the commissioner may establish exemptions to specific requirements based on diagnosis, procedure, or service after notice in the State Register and a 30-day comment period.

Subd. 1a. [ADMINISTRATIVE RECONSIDERATION.] Notwithstanding sections 256B.04, subdivision 15, and 256D.03, subdivision 7, the commissioner may shall establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. The reconsideration process shall take place prior to the contested case procedures of chapter 14 subdivision 1b and shall be conducted by physicians that are independent of the case under reconsideration. A majority decision by the physicians is necessary to make a determination that the services were not medically necessary.

Subd. 1b. [CONTESTED CASE.] Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary under after the reconsideration process and contested case determinations. A physician or hospital may contest the result of the reconsideration process by submitting a written request for review to the commissioner within 30 days after receiving notice of the action. The commissioner shall review the medical record and information submitted during the reconsideration process and the medical review agent's basis for the determination that the services were not medically necessary for inpatient hospital services. The commissioner shall issue an order upholding or reversing the decision of the reconsideration process based on the review. A hospital or physician who is aggrieved by an order of the commissioner may appeal the order to the district court of the county in which the physician or hospital is located by serving a written copy of the notice of appeal upon the commissioner within 30 days after the date the commissioner issued the order.

Sec. 15. Minnesota Statutes 1992, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] (a) The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits, medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index may be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program *and shall be limited to five percent under the medical assistance program* for admissions occurring during the biennium ending June 30, 1993 1995, and the hospital cost index under medical assistance, excluding general assistance medical care, shall be increased by one percentage point to reflect changes in technology for admissions occurring after September 30, 1992.

(b) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for hospital payment rates under medical assistance, excluding the technology factor under paragraph (a), nor under general assistance medical care. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in hospital payment rates under medical assistance and general assistance medical care, based upon the hospital cost index.

Sec. 16. Minnesota Statutes 1992, section 256.969, subdivision 8, is amended to read:

Subd. 8. [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day ~~and cost~~ outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the mean length of stay ~~or allowable cost~~. Payment for the days ~~and cost~~ beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the mean length of stay ~~or allowable cost~~, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative to the 70 percent outlier payment that is at a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. ~~Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.~~

Sec. 17. Minnesota Statutes 1992, section 256.969, subdivision 9, as amended by Laws 1993, chapter 20, section 1, is amended to read:

Subd. 9. [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] (a) For admissions occurring on or after ~~October 1, 1992, through December 31, 1992~~ July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of *one standard deviation above* the arithmetic mean. The adjustment must be ~~determined~~ paid as follows: (1) \$908,333 per month, payable on the 16th of the month, beginning July 16, 1993, to a hospital with medical assistance fee-for-service payment volume during calendar 1991 in excess of eight percent of total medical assistance fee-for-service payment volume; or (2) for a hospital not eligible under clause (1), \$1,000 per year, payable on June 1, beginning in 1994.

(b) *The commissioner shall not adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in paragraph (a).*

Sec. 18. Minnesota Statutes 1992, section 256.969, subdivision 22, as amended by Laws 1993, chapter 20, section 5, is amended to read:

Subd. 22. [HOSPITAL PAYMENT ADJUSTMENT.] For admissions occurring ~~from January 1, 1993, until June 30, 1993~~ on or after July 1, 1993, the commissioner shall adjust the medical assistance payment paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment under clause (1) for that hospital by 1.1. ~~Any payment under this clause must be reduced by the amount of any payment received under subdivision 9a.~~ For purposes of this subdivision, medical assistance does not include general assistance medical care. *The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in this section. The adjustment must be made on a nondiscounted hospital-specific basis.*

Sec. 19. Minnesota Statutes 1992, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 8, the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of

the upgrade to the Medicaid management information system or July 1, 1992, whichever is earlier.

During the transition period:

(a) Changes resulting from section 256.969, subdivisions 7, 9, 10, 11, and 13, shall not be implemented, except as provided in section 256.969, subdivisions 12 and 20.

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, until the implementation date of the upgrade to the Medicaid management information system the hospital cost index excluding the technology factor shall not exceed five percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 20, paragraphs (a) and (b).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

(e) If the upgrade to the Medicaid management information system has not been completed by July 1, 1992, the commissioner shall make adjustments for admissions occurring on or after that date as follows:

(1) provide a ten percent increase to hospitals that meet the requirements of section 256.969, subdivision 20, or, upon written request from the hospital to the commissioner, 50 percent of the rate change that the commissioner estimates will occur after the upgrade to the Medicaid management information system; and

(2) adjust the *Minnesota and local trade area* rebased payment rates that are established after the upgrade to the Medicaid management information system to compensate for a rebasing effective date of July 1, 1992. The adjustment shall be based on the change in rates from July 1, 1992, to the rebased rates in effect under determined using claim specific payment changes that result from the rebased rates and revised methodology in effect after the systems upgrade. The adjustment shall reflect be reduced for payments under clause (1), differences in the hospital cost index and dissimilar rate establishment procedures such as the variable outlier and the treatment of births and. Hospitals shall revise claims so that services provided by rehabilitation units of hospitals are reported separately. The adjustment shall be in effect for a period not to exceed the amount of time from July 1, 1992, to the systems upgrade until the amount due to or owed by the hospital is fully paid over a number of admissions that is equal to the number of admissions under adjustment. The adjustment for admissions occurring from July 1, 1992, to December 31, 1992, shall be based on claims paid as of August 1, 1993, and the adjustment shall begin with the effective date of rules governing rebasing. The adjustment for admissions occurring from January 1, 1993, to the effective date of the rules shall be based on claims paid as of February 1,

1994, and shall begin after the first adjustment period is fully paid. For purposes of appeals under subdivision 1, the adjustment shall be considered payment at the time of admission.

Sec. 20. [256B.037] [PROSPECTIVE PAYMENT OF DENTAL SERVICES.]

Subdivision 1. [CONTRACT FOR DENTAL SERVICES.] The commissioner may conduct a demonstration project to contract, on a prospective per capita payment basis, with an organization or organizations licensed under chapter 62C or 62D, for the provision of all dental care services beginning July 1, 1994, under the medical assistance, general assistance medical care, and MinnesotaCare programs, or when necessary waivers are granted by the secretary of health and human services, whichever occurs later. The commissioner shall identify a geographic area or areas, including both urban and rural areas, where access to dental services has been inadequate, in which to conduct demonstration projects. The commissioner shall seek any federal waivers or approvals necessary to implement this section from the secretary of health and human services.

The commissioner may exclude from participation in the demonstration project any or all groups currently excluded from participation in the prepaid medical assistance program under section 256B.69.

Subd. 2. [ESTABLISHMENT OF PREPAYMENT RATES.] The commissioner shall consult with an independent actuary to establish prepayment rates, but shall retain final authority over the methodology used to establish the rates. The prepayment rates shall not result in payments that exceed the per capita expenditures that would have been made for dental services by the programs under a fee-for-service reimbursement system. The package of dental benefits provided to individuals under this subdivision shall not be less than the package of benefits provided under the medical assistance fee-for-service reimbursement system for dental services.

Subd. 3. [APPEALS.] All recipients of services under this section have the right to appeal to the commissioner under section 256.045.

Subd. 4. [INFORMATION REQUIRED BY COMMISSIONER.] A contractor shall submit encounter-specific information as required by the commissioner, including, but not limited to, information required for assessing client satisfaction, quality of care, and cost and utilization of services.

Subd. 5. [OTHER CONTRACTS PERMITTED.] Nothing in this section prohibits the commissioner from contracting with an organization for comprehensive health services, including dental services, under section 256B.031, 256B.035, 256B.69, or 256D.03, subdivision 4, paragraph (c).

Sec. 21. Minnesota Statutes 1992, section 256B.042, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable to pay part or all of the cost of medical care when the state agency has paid or become liable for the cost of that care. Notice must be given as follows:

(a) Applicants for medical assistance shall notify the state or local agency of any possible claims when they submit the application. Recipients of

medical assistance shall notify the state or local agency of any possible claims when those claims arise.

(b) A person providing medical care services to a recipient of medical assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) A person who is a party to a claim upon which the state agency may be entitled to a lien under this section shall notify the state agency of its potential lien claim before filing a claim, commencing an action, or negotiating a settlement. *A person who is a party to a claim includes the plaintiff, the defendant(s), and any other named party to the cause of action.*

Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).

Sec. 22. Minnesota Statutes 1992, section 256B.055, subdivision 1, is amended to read:

Subdivision 1. [CHILDREN ELIGIBLE FOR SUBSIDIZED ADOPTION ASSISTANCE.] Medical assistance may be paid for a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, *and to any child who is not Title IV-E eligible but who was determined eligible for adoption assistance under Minnesota Statutes, section 259.40 or 259.434, subdivision 4, clauses (a) to (c), and has a special need for medical or rehabilitative care.*

Sec. 23. Minnesota Statutes 1992, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD; EXCLUSION FOR INSTITUTIONALIZED PERSONS.] The homestead shall be excluded for the first six calendar months of a person's stay in a long-term care facility and shall continue to be excluded for as long as the recipient can be reasonably expected to return, ~~as provided under the methodologies for the supplemental security income program to the homestead.~~ *For purposes of this subdivision, "reasonably expected to return to the homestead" means the recipient's attending physician has certified that the expectation is reasonable, and the recipient can show that the cost of care upon returning home will be met through medical assistance or other sources.* The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by one of the following individuals:

(a) the spouse;

(b) a child under age 21;

(c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;

(d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or

(e) a child of any age, or, subject to federal approval, a grandchild of any age, who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

Sec. 24. Minnesota Statutes 1992, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, *or a surviving spouse of a veteran having no child*, the amount of ~~any veteran's pension~~ *an improved pension received from the veteran's administration* not exceeding \$90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only if the children resided with the institutionalized person immediately prior to admission;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(7) reparations payments made by the Federal Republic of Germany; and

(8) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 25. Minnesota Statutes 1992, section 256B.059, subdivision 3, is amended to read:

Subd. 3. [COMMUNITY SPOUSE ASSET ALLOWANCE.] (a) An institutionalized spouse may transfer assets to the community spouse solely for the benefit of the community spouse. Except for increased amounts allowable under subdivision 4, the maximum amount of assets allowed to be transferred is the amount which, when added to the assets otherwise available to the community spouse, is the greater of as follows:

(1) ~~\$12,000~~ prior to July 1, 1994, the greater of:

(i) \$14,148;

(2) (ii) the lesser of the spousal share or ~~\$60,000~~ \$70,740; or

(3) (iii) the amount required by court order to be paid to the community spouse; and

(2) from July 1, 1994, and thereafter, the greater of:

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse.

If the assets available to the community spouse are already at the limit permissible under this section, or the higher limit attributable to increases under subdivision 4, no assets may be transferred from the institutionalized spouse to the community spouse. The transfer must be made as soon as practicable after the date the institutionalized spouse is determined eligible for medical assistance, or within the amount of time needed for any court order required for the transfer. On January 1, ~~1990~~ 1994, and every January 1 thereafter, the ~~\$12,000 and \$60,000~~ limits in this subdivision shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United States city average) between the two previous Septembers. These adjustments shall also be applied to the ~~\$12,000 and \$60,000~~ limits in subdivision 5.

Sec. 26. Minnesota Statutes 1992, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of following:

- (1) ~~\$12,000~~; or prior to July 1, 1994, the greater of:
- (i) ~~\$14,148~~;
 - ~~(2) (ii) the lesser of the spousal share or \$60,000 \$70,740; or~~
 - ~~(3) (iii) the amount required by court order to be paid to the community spouse;~~
- (2) for the period from July 1, 1994, and thereafter, the greater of:
- (i) ~~\$20,000~~;
 - (ii) ~~the lesser of the spousal share or \$70,740; or~~
 - (iii) ~~the amount required by court order to be paid to the community spouse.~~
- If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if:

- (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section ~~256B.14~~ 256B.15, subdivision 2 3;
- (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 27. Minnesota Statutes 1992, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] (a) If a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time

~~determined under subdivision 2~~ *No person, a person's spouse, nor a person's authorized representative may give away, sell, or dispose of, for less than fair market value, any asset or interest therein, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance, any transfer of an asset, including assets excluded under section 256B.056, subdivision 3, for less than fair market value may be considered. Any transfer made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose. Any other transfer of an asset for less than fair market value more than 60 months prior to application for medical assistance eligibility may be considered for purposes of determining eligibility.*

(b) This section applies to transfers, for less than fair market value, of income or assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(d) This section applies to the portion of any asset or interest that a person or a person's spouse transfers to an irrevocable trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse while alive, based on estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(e) For purposes of this section, long-term care services include nursing facility services, and home- and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home- and community-based services under section 256B.491.

Sec. 28. Minnesota Statutes 1992, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] ~~For any uncompensated transfer transfers, the number of months of ineligibility including partial months, for long-term care medical assistance services shall be the lesser of 30 months, or the total uncompensated transfer amount value of the resources transferred divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. If a calculation of a penalty period results in a partial month, payments for medical assistance services will be reduced in an amount equal to the fraction, except that in calculating the value of uncompensated transfers, uncompensated transfers not to exceed~~

\$1,000 in total value, per month shall be disregarded for each month prior to the month of application for medical assistance. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin in the month the first assets were transferred. The penalty in this section shall not apply to gifts not to exceed a total of \$1,000 per month during a medical assistance eligibility certification period. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 29. Minnesota Statutes 1992, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.]

(a) An institutionalized person is not ineligible for ~~long-term care~~ *medical assistance* services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

- (1) title to the homestead was transferred to the individual's
 - (i) spouse;
 - (ii) child who is under age 21;
 - (iii) blind or permanently and totally disabled child as defined in the supplemental security income program;
 - (iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or
 - (v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of ~~long-term care~~ *medical assistance* services granted ~~within 30 months of the transfer~~ *during the period of ineligibility under subdivision 2* or

the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

Sec. 30. Minnesota Statutes 1992, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for ~~long-term~~ *care medical assistance* services if one of the following conditions applies:

(1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for ~~long-term~~ *care medical assistance* services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of ~~long-term~~ *care medical assistance* services granted ~~within 30 months of the transfer, during the period of ineligibility determined under subdivision 2~~ or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 31. Minnesota Statutes 1992, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from the ~~Minnesota professional medical association associations~~ and the ~~Minnesota pharmacists association professional pharmacist associations~~, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. ~~The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981.~~ The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health

insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve ~~two-year three-year~~ terms and shall serve without compensation. *Members may be reappointed once.* The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. ~~Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act.~~ The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until ~~January 4, 1993~~ June 30, 1994, or the date the *on line, real time* Medicaid Management Information System (MMIS) upgrade is *successfully* implemented, *as determined by the commissioner of administration*, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement,

and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 32. Minnesota Statutes 1992, section 256B.0625, subdivision 13a, is amended to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A 12-member drug utilization review board is established. The board is comprised of six licensed physicians actively engaged in the practice of medicine in Minnesota; five licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The physician members shall be selected from a list lists submitted by the Minnesota professional medical association associations. The pharmacist members shall be selected from a list lists submitted by the Minnesota professional pharmacist Association associations. The commissioner shall appoint the initial members of the board for terms expiring as follows: four members for terms expiring June 30, 1995; four members for terms expiring June 30, 1994; and four members for terms expiring June 30, 1993. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

(1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);

(2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;

(3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;

(4) establish a grievance and appeals process for physicians and pharmacists under this section;

(5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;

(6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;

(7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and

(8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on December 1. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program.

Sec. 33. Minnesota Statutes 1992, section 256B.0625, subdivision 15, is amended to read:

Subd. 15. [HEALTH PLAN PREMIUMS AND COPAYMENTS.] Medical assistance covers health care prepayment plan premiums and, insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act, and copayments if determined to be cost-effective by the commissioner. For purposes of obtaining Medicare part A and part B, and copayments, expenditures may be made even if federal funding is not available.

Sec. 34. Minnesota Statutes 1992, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. [TRANSPORTATION COSTS.] (a) Medical assistance covers transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this subdivision, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the provider receives and maintains a current physician's order by the recipient's attending physician. The commissioner shall establish maximum medical assistance reimbursement rates for special transportation services for persons who need a wheelchair lift van or stretcher-equipped vehicle and for those who do not need a wheelchair lift van or stretcher-equipped vehicle. The average of these two rates must not exceed \$13 \$14 for the base rate and \$1 \$1.10 per mile. Special transportation provided to nonambulatory persons who do not need a wheelchair lift van or stretcher-equipped vehicle, may be reimbursed at a lower rate than special transportation provided to persons who need a wheelchair lift van or stretcher-equipped vehicle.

Sec. 35. Minnesota Statutes 1992, section 256B.0625, subdivision 25, is amended to read:

Subd. 25. [PRIOR AUTHORIZATION REQUIRED.] (a) The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list. The list and the criteria and standards used to formulate it are not subject to the requirements of sections 14.001 to 14.69. The commissioner's decision whether prior authorization is required for a health service is not subject to administrative appeal.

(b) The commissioner shall not require prior authorization for physical therapy, occupational therapy, and speech therapy services provided by an entity that operates both a Medicare certified comprehensive outpatient rehabilitation facility and a facility which was certified prior to January 1, 1993, that is licensed under Minnesota Rules, parts 9570.2000 to 9570.3600,

when those services are (1) provided within the comprehensive outpatient rehabilitation facility and (2) provided to residents of facilities owned by the entity.

Sec. 36. Minnesota Statutes 1992, section 256B.0625, subdivision 28, is amended to read:

Subd. 28. [CERTIFIED NURSE PRACTITIONER SERVICES.] Medical assistance covers services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

Sec. 37. Minnesota Statutes 1992, section 256B.0625, subdivision 29, is amended to read:

Subd. 29. [PUBLIC HEALTH NURSING CLINIC SERVICES.] Medical assistance covers the services of a certified public health nurse or a registered nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of, a unit of government, if the service is within the scope of practice of the public health or registered nurse's license as a registered nurse, as defined in section 148.171.

Sec. 38. Minnesota Statutes 1992, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

- (1) adult foster care;
- (2) adult day care;
- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living; and
- (9) residential care services;

(10) care-related supplies and equipment;

(b) The county agency may use up to ten percent of the annual allocation of alternative care funding for payment of costs of

- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;
- (14) chore services;

- (15) companion services,;
- (16) nutrition services,; and
- (17) training for direct informal caregivers.

The commissioner shall determine the impact on alternative care costs of allowing these additional services to be provided and shall report the findings to the legislature by February 15, 1993, including any recommendations regarding provision of the additional services.

(e) (b) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(d) These services must be provided by a licensed provider, a home health agency certified for reimbursement under Titles XVIII and XIX of the Social Security Act, or by (c) Unless specified in statute, the service standards for alternative care services shall be the same as the service standards defined in the elderly waiver. Persons or agencies must be employed by or contracted under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program.

(e) (d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

(f) (e) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(g) (f) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor.

(g) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services. Residential care services are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care center only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that

is included in the room and board rate. Health-related services are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive both personal care services and residential care services.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to two or more alternative care clients who reside in the same apartment building of ten three or more units. These services may include care coordination, the costs of preparing one or more nutritionally balanced meals per day, general oversight, and other supportive services which the vendor is licensed to provide according to sections 144A.43 to 144A.49, and which would otherwise be available to individual alternative care clients. Reimbursement from the lead agency shall be made to the vendor as a monthly capitated rate negotiated with the county agency. The capitated rate shall not exceed the state share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The capitated rate may not cover rent and direct food costs. Assisted living services are defined as up to 24-hour supervision, and oversight, supportive services as defined in clause (1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or by providers under contract with the management or with the county.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

Individuals receiving assisted living services will not receive both assisted living services and homemaking or personal services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions.

(2) Home care aide tasks means:

(i) preparing modified diets, such as diabetic or low sodium diets;

(ii) reminding residents to take regularly scheduled medications or to perform exercises;

(iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;

(iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and

(v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. Oral hygiene means care of teeth, gums, and oral prosthetic devices.

(3) Home management tasks means:

(i) housekeeping;

(ii) laundry;

(iii) preparation of regular snacks and meals; and

(iv) shopping.

A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.

Reimbursement for assisted living services and residential care services shall be made by the lead agency to the vendor as a monthly rate negotiated with the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, except for alternative care assisted living projects established under chapter 256 whose rates may not exceed 65 percent of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover rent and direct food costs.

(i) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or nonprofit organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.

(j) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and

educational facilities which provide caregiver training and education will be monitored by the case manager.

Sec. 39. Minnesota Statutes 1992, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval.

(e) For the fiscal year beginning on July 1, 1993, and for subsequent fiscal years, the commissioner of human services shall not provide automatic annual inflation adjustments for home- and community-based waived services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for home- and community-based waived services, based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set. The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

The adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual

receiving foster care is assigned, and it must allow for other waiver and medical assistance home care services to be authorized by the case manager.

The assisted living and residential care service rates for elderly and disabled waivers must be a monthly rate negotiated between the county agency and the vendor. The rate must not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, except for alternative care assisted living projects established under chapter 256 whose rates may not exceed 65 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover rent or direct food costs.

(f) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(g) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 40. Minnesota Statutes 1992, section 256B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "medical assistance" includes the medical assistance program under this chapter and the general assistance medical care program under chapter 256D, but does not include the alternative care program ~~under this chapter~~ for nonmedical assistance recipients under section 256B.0913, subdivision 4.

Sec. 41. Minnesota Statutes 1992, section 256B.15, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1a, clause (b), and the total amount of general assistance medical care rendered, and shall not include interest. Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

Sec. 42. Minnesota Statutes 1992, section 256B.19, subdivision 1b, is amended to read:

Subd. 1b. [PORTION OF NONFEDERAL SHARE TO BE PAID BY GOVERNMENT HOSPITALS.] (a) In addition to the percentage contribution

paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance costs attributable to them. For purposes of this subdivision, "designated governmental unit" means Hennepin county, and the public corporation known as Ramsey Health Care, Inc. which is operated under the authority of chapter 246A Ramsey county, and the University of Minnesota. For purposes of this subdivision, "public hospital" means the Hennepin County Medical Center, the University of Minnesota hospital, and the St. Paul-Ramsey Medical Center.

(b) Each of the governmental units designated in this subdivision Hennepin county and Ramsey county shall on a monthly basis transfer an amount equal to two percent of the public hospital's net patient revenues, excluding net Medicare revenue to the state Medicaid agency.

(c) Effective July 1, 1994, each of the governmental units designated in paragraph (a) shall on a monthly basis transfer an amount equal to a percentage of the public hospital's net patient revenues, excluding net Medicare revenue, to the state Medicaid agency as follows: Ramsey county and the University of Minnesota, 1.8 percent, and Hennepin county, 2.3 percent.

(d) These sums shall be part of the local designated governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 43. Minnesota Statutes 1992, section 256B.19, is amended by adding a subdivision to read:

Subd. 1c. [ADDITIONAL PORTION OF NONFEDERAL SHARE.] In addition to any payment required under subdivision 1b, Ramsey county, Hennepin county, and the University of Minnesota shall be responsible for a monthly transfer payment of \$903,000, due on the 15th of each month beginning July 15, 1993. These sums shall be part of the designated governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 44. Minnesota Statutes 1992, section 256B.19, is amended by adding a subdivision to read:

Subd. 1d. [PORTION OF NONFEDERAL SHARE TO BE PAID BY CERTAIN COUNTIES.] In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance cost. For purposes of this subdivision, "designated governmental unit" means the counties of Becker, Beltrami, Cook, Dodge, Hubbard, Itasca, Lake, Mahnommen, Pennington, Pipestone, Ramsey, St. Louis, Steele, Traverse, and Wadena.

Beginning in 1994, each of the governmental units designated in this subdivision shall transfer on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned by the county multiplied by \$5,723. If two or more counties own a nursing home, the payment shall be prorated. These sums shall be part of the designated governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 45. Minnesota Statutes 1992, section 256B.37, subdivision 3, is amended to read:

Subd. 3. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the cost of medical care when the state agency has paid or become liable for the cost of care. Notice must be given as follows:

(a) Applicants for medical assistance shall notify the state or local agency of any possible claims when they submit the application. Recipients of medical assistance shall notify the state or local agency of any possible claims when those claims arise.

(b) A person providing medical care services to a recipient of medical assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or negotiating a settlement. *A person who is a party to a claim includes the plaintiff, the defendants, and any other named party to the cause of action.*

Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).

Sec. 46. Minnesota Statutes 1992, section 256B.37, subdivision 5, is amended to read:

Subd. 5. [PRIVATE BENEFITS TO BE USED FIRST.] Private accident and health care coverage for medical services is primary coverage and must be exhausted before medical assistance is paid. When a person who is otherwise eligible for medical assistance has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. ~~Supplemental payment may be made by medical assistance, but the combined total amount paid must not exceed the amount payable under medical assistance in the absence of other coverage. Medical assistance must not make supplemental payment for covered services rendered by a vendor who participates or contracts with a health coverage plan if the plan requires the vendor to accept the plan's payment as payment in full.~~

Sec. 47. Minnesota Statutes 1992, section 256B.37, is amended by adding a subdivision to read:

Subd. 5a. [SUPPLEMENTAL PAYMENT BY MEDICAL ASSISTANCE.] Medical assistance payment will not be made when either covered charges are paid in full by a third party or the provider has an agreement to accept payment for less than charges as payment in full. Payment for patients that are simultaneously covered by medical assistance and a liable third party other than Medicare will be determined as the lesser of clauses (1) to (3):

- (1) the patient liability according to the provider/insurer agreement;*
- (2) covered charges minus the third party payment amount; or*
- (3) the medical assistance rate minus the third party payment amount.*

A negative difference will not be implemented.

Sec. 48. Minnesota Statutes 1992, section 256B.421, subdivision 14, is amended to read:

Subd. 14. [FRINGE BENEFITS.] "Fringe benefits" means workers' compensation insurance, *including costs related to operating a self-insured workers' compensation program under chapter 79A*, group health or dental insurance, group life insurance, retirement benefits or plans, except for public employee retirement act contributions, and uniform allowances.

Sec. 49. Minnesota Statutes 1992, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing facility's cost report of allowable operating costs incurred by the nursing facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, size of the nursing facility, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing facility. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing facilities in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing facilities established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. For rate years beginning on or after July 1, 1989, facilities located in geographic group I as described in Minnesota Rules, part 9549.0052, on January 1, 1989, may choose to have the commissioner apply either the care related limits or the other operating cost limits calculated for facilities located in geographic group II, or both, if either of the limits calculated for the group II facilities is higher. The efficiency incentive for geographic group I nursing facilities must be calculated based on geographic group I limits. The phase-in must be established utilizing the chosen limits. For purposes of these exceptions to the geographic grouping requirements, the definitions in Minnesota Rules, parts 9549.0050 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080, apply. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing facility

payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing facility is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. For the rate year beginning on July 1, 1985, the commissioner shall:

(1) allow nursing facilities that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing facilities licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing facilities referred to in clause (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing facility shall receive an operating cost payment rate equal to the sum of the nursing facility's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing facility's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing facility's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability or payments in lieu of real estate tax of each nursing facility as an operating cost of that nursing facility. Allowable costs under this subdivision for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes. For rate years beginning on or after July 1, 1987, the reported actual real estate tax liability or payments in lieu of real estate tax of nursing facilities shall be adjusted to include an amount equal to one-half of the dollar change in real estate taxes from the prior year. The commissioner shall include a reported actual special assessment, and reported actual license fees required by the Minnesota department of health, for each nursing facility as an

operating cost of that nursing facility. For rate years beginning on or after July 1, 1989, the commissioner shall include a nursing facility's reported public employee retirement act contribution for the reporting year as apportioned to the care-related operating cost categories and other operating cost categories multiplied by the appropriate composite index or indices established pursuant to paragraph (e) as costs under this paragraph. Total adjusted real estate tax liability, payments in lieu of real estate tax, actual special assessments paid, the indexed public employee retirement act contribution, and license fees paid as required by the Minnesota department of health, for each nursing facility (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the care-related operating cost limits or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e), unless otherwise indicated in this paragraph.

(h) For rate years beginning on or after July 1, 1987, the commissioner shall adjust the rates of a nursing facility that meets the criteria for the special dietary needs of its residents as specified in section 144A.071, subdivision 3, clause (e), and the requirements in section 31.651. The adjustment for raw food cost shall be the difference between the nursing facility's allowable historical raw food cost per diem and 115 percent of the median historical allowable raw food cost per diem of the corresponding geographic group.

The rate adjustment shall be reduced by the applicable phase-in percentage as provided under subdivision 2h.

Sec. 50. Minnesota Statutes 1992, section 256B.431, subdivision 2o, is amended to read:

Subd. 2o. [SPECIAL PAYMENT RATES FOR SHORT-STAY NURSING FACILITIES.] Notwithstanding contrary provisions of this section and rules adopted by the commissioner, for the rate years beginning on or after July 1, 1992 1993, a nursing facility whose average length of stay for the rate preceding reporting year beginning July 1, 1991, is (1) less than 180 days; or (2) less than 225 days in a nursing facility with more than 315 licensed beds must be reimbursed for allowable costs up to 125 percent of the total care-related limit and 105 percent of the other-operating-cost limit for hospital-attached nursing facilities. ~~The~~ A nursing facility that received the benefit of this limit during the rate year beginning July 1, 1992, continues to receive this rate during the rate year beginning July 1, 1993, even if the facility's average length of stay is more than 180 days in the rate years subsequent to the rate year beginning July 1, 1991. For purposes of this subdivision, a nursing facility shall compute its average length of stay by dividing the nursing facility's actual resident days for the reporting year by the nursing facility's total resident discharges for that reporting year.

Sec. 51. Minnesota Statutes 1992, section 256B.431, subdivision 13, is amended to read:

Subd. 13. [HOLD-HARMLESS PROPERTY-RELATED RATES.] (a) Terms used in subdivisions 13 to 21 shall be as defined in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) Except as provided in this subdivision, for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, the property-related rate for a nursing facility shall be the greater of \$4 or the

property-related payment rate in effect on September 30, 1992. In addition, the incremental increase in the nursing facility's rental rate will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item F, a nursing facility that has a sale permitted under subdivision 14 after June 30, 1992, shall receive the property-related payment rate in effect at the time of the sale or reorganization. For rate periods beginning after October 1, 1992, and for rate years beginning after June 30, 1993, a nursing facility shall receive, in addition to its property-related payment rate in effect at the time of the sale, the incremental increase allowed under subdivision 14.

(d) For rate years beginning after June 30, 1993, the property-related rate for a nursing facility licensed after July 1, 1989, after relocating its beds from a separate nursing home to a building formerly used as a hospital and sold during the cost reporting year ending September 30, 1991, shall be its property-related rate prior to the sale in addition to the incremental increases provided under this section effective on October 1, 1992, of 29 cents per day, and any incremental increases after October 1, 1992, calculated by using its rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, recognizing the current appraised value of the facility at the new location, and including as allowable debt otherwise allowable debt incurred to remodel the facility in the new location prior to the relocation of beds.

Sec. 52. Minnesota Statutes 1992, section 256B.431, subdivision 14, is amended to read:

Subd. 14. [LIMITATIONS ON SALES OF NURSING FACILITIES.] (a) For rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, a nursing facility's property-related payment rate as established under subdivision 13 shall be adjusted by either paragraph (b) or (c) for the sale of the nursing facility, including sales occurring after June 30, 1992, as provided in this subdivision.

(b) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is greater than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the greater of its property-related payment rate under subdivision 13 prior to sale or its rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(c) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is equal to or less than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the nursing facility's property-related payment rate under subdivision 13 plus the difference between its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale and its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(d) For purposes of this subdivision, "sale" means the purchase of a nursing facility's capital assets with cash or debt. The term sale does not include a stock purchase of a nursing facility or any of the following transactions:

(1) a sale and leaseback to the same licensee that does not constitute a change in facility license;

(2) a transfer of an interest to a trust;

(3) gifts or other transfers for no consideration;

(4) a merger of two or more related organizations;

(5) a change in the legal form of doing business, other than a publicly held organization that becomes privately held or vice versa;

(6) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing facility or the issuance of stock; and

(7) a sale, merger, reorganization, or any other transfer of interest between related organizations other than those permitted in this section. *For purposes of this subdivision "sale" includes the sale or transfer of a nursing facility to a close relative as defined in Minnesota Rules, part 9549.0020, subpart 38, item C, upon the death of an owner, due to serious illness or disability, as defined under the Social Security Act, under United States Code, title 42, section 423(d)(1)(A), or upon retirement of an owner from the business of owning or operating a nursing home at 62 years of age or older. For sales to a close relative allowed under this clause, otherwise allowable related organization debt resulting from seller financing of all or a portion of the debt resulting from the sale shall be allowed and shall not be subject to Minnesota Rules, part 9549.0060, subpart 5, item E; provided that in addition to existing requirements for allowance of debt and interest, the debt is subject to repayment through annual principal payments and the interest rate on the related organization debt does not exceed the lesser of the interest rate offered on the day of the sale to for-profit nursing homes by the Minnesota housing finance agency, if such information is available from that agency, or three percentage points above the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation for delivery in 60 days in effect on the day of sale. If at any time, the seller forgives or otherwise reduces the amount of the related organization debt allowed under this clause between the parties for other than equal amount of payment on that debt, then the buyer shall pay to the state the total revenue received by the facility after the sale attributable to the amount of allowable debt which has been forgiven or otherwise reduced for less than fair value. Any assignment, sale, or transfer of the contract for deed or debt instrument entered into by the related organization seller and the related organization buyer that grants to the buyer the right to receive all or a portion of the payments under the contract for deed or debt instrument shall, effective on the date of the transfer, result in the prospective reduction in the allowable related organization debt equal to the total amount transferred attributable to payment of principal and effective beginning with the cost reporting period during which the transfer takes place shall result in the offset against allowable interest of amounts received pursuant to the transfer annually thereafter attributable to payment of interest. Upon the death of the related organization seller, any remaining balance of the related organization debt must be refinanced and such refinancing shall be subject to the provisions of Minnesota Rules, part 9549.0060, subpart 7, item G.*

(e) For purposes of this subdivision, "effective date of sale" means the later of either the date on which legal title to the capital assets is transferred or the date on which closing for the sale occurred.

(f) The effective day for the property-related payment rate determined under this subdivision shall be the first day of the month following the month in which the effective date of sale occurs or October 1, 1992, whichever is later, provided that the notice requirements under section 256B.47, subdivision 2, have been met.

(g) Notwithstanding Minnesota Rules, part 9549.0060, subparts 5, item A, subitems (3) and (4), and 7, items E and F, the commissioner shall limit the total allowable debt and related interest for sales occurring after June 30, 1992, to the sum of clauses (1) to (3):

(1) the historical cost of capital assets, as of the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the nursing facility's initial historical cost of constructing capital assets;

(2) the average annual capital asset additions after deduction for capital asset deletions, not including depreciations; and

(3) one-half of the allowed inflation on the nursing facility's capital assets. The commissioner shall compute the allowed inflation as described in paragraph (h).

(h) For purposes of computing the amount of allowed inflation, the commissioner must apply the following principles:

(1) the lesser of the Consumer Price Index for all urban consumers or the Dodge Construction Systems Costs for Nursing Homes for any time periods during which both are available must be used. If the Dodge Construction Systems Costs for Nursing Homes becomes unavailable, the commissioner shall substitute the index in subdivision 3f, or such other index as the secretary of the health care financing administration may designate;

(2) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must be computed separately;

(3) the amount of allowed inflation must be determined on an annual basis, prorated on a monthly basis for partial years and if the initial month of use is not determinable for a capital asset, then one-half of that calendar year shall be used for purposes of prorating;

(4) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must not exceed 300 percent of the total capital assets in any one of those clauses; and

(5) the allowed inflation must be computed starting with the month following the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the month following the date of the nursing facility's initial occupancy, and ending with the month preceding the effective date of sale.

(i) If the historical cost of a capital asset is not readily available for the date of the nursing facility's most recent previous sale or if there has been no previous sale for the date of the nursing facility's initial occupancy, then the commissioner shall limit the total allowable debt and related interest after sale to the extent recognized by the Medicare intermediary after the sale. For a nursing facility that has no historical capital asset cost data available and does not have allowable debt and interest calculated by the Medicare intermediary, the commissioner shall use the historical cost of capital asset data from the

point in time for which capital asset data is recorded in the nursing facility's audited financial statements.

(j) The limitations in this subdivision apply only to debt resulting from a sale of a nursing facility occurring after June 30, 1992, including debt assumed by the purchaser of the nursing facility.

Sec. 53. Minnesota Statutes 1992, section 256B.431, subdivision 15, is amended to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST REPORTING AND RATE CALCULATION.] For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement payment rate shall be established annually as provided in paragraphs (a) to (d).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of acquiring *any of* the following items, including cash payment for equity investment and principal and interest expense for debt financing, shall be reported in the capital repair and replacement cost category *when the cost of the item exceeds \$500*:

- (1) wall coverings;
- (2) paint;
- (3) floor coverings;
- (4) window coverings;
- (5) roof repair;
- (6) heating or cooling system repair or replacement;
- (7) window repair or replacement;

(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and

(9) ~~capitalized~~ repair or replacement of capital assets not included in the equity incentive computations under subdivision 16.

(b) To compute the capital repair and replacement payment rate, the allowable annual repair and replacement costs for the reporting year must be divided by actual resident days for the reporting year. The annual allowable capital repair and replacement costs shall not exceed \$150 per licensed bed. The excess of the allowed capital repair and replacement costs over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods, except that sale of a facility, under subdivision 14, shall terminate the carryover of all costs except those incurred in the most recent cost reporting year. The termination of the carryover shall have effect on the capital repair and replacement rate on the same date as provided in subdivision 14, paragraph (f), for the sale. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 3f, paragraph (a). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate the nursing facility's capacity days. The capital repair and replacement rate must be added to the nursing facility's total payment rate.

(c) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

(d) If costs otherwise allowable under this subdivision are incurred as the result of a project approved under the moratorium exception process in section 144A.073, or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost of these assets exceeds the lesser of \$150,000 or ten percent of the nursing facility's appraised value, these costs must be claimed under subdivision 16 or 17, as appropriate.

Sec. 54. Minnesota Statutes 1992, section 256B.431, subdivision 21, is amended to read:

Subd. 21. [INDEXING THRESHOLDS.] Beginning January 1, 1993, and each January 1 thereafter, the commissioner shall annually update the dollar thresholds in subdivisions 15, paragraph (d), 16, and 17, and in section 144A.071, ~~subdivision~~ subdivisions 2; and ~~3~~ 4a, clauses ~~(h)~~ (b) and ~~(p)~~ (e), by the inflation index referenced in subdivision 3f, paragraph (a).

Sec. 55. Minnesota Statutes 1992, section 256B.431, is amended by adding a subdivision to read:

Subd. 22. [CHANGES TO NURSING FACILITY REIMBURSEMENT.] *The nursing facility reimbursement changes in paragraphs (a) to (c) apply to Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, and are effective for rate years beginning on or after July 1, 1993, unless otherwise indicated.*

(a) *The care related operating rate shall be increased by 40 cents to reimburse facilities for unfunded federal mandates, including costs related to hepatitis B vaccinations.*

(b) *In addition to the approved pension or profit sharing plans allowed by the reimbursement rule, the commissioner shall allow those plans specified in Internal Revenue Code, sections 403(b) and 408(k).*

(c) *In the determination of incremental increases in the nursing facility's rental rate as required in subdivisions 14 to 21, except for a refinancing permitted under subdivision 19, the commissioner must adjust the nursing facility's property-related payment rate for both incremental increases and decreases in recomputations of its rental rate.*

Sec. 56. Minnesota Statutes 1992, section 256B.431 is amended by adding a subdivision to read:

Subd. 23. [COUNTY NURSING HOME PAYMENT ADJUSTMENTS.]

(a) *Beginning in 1994, the commissioner shall pay a nursing home payment adjustment on June 1 to a county in which is located a county-owned nursing home with over 40 beds and medical assistance occupancy in excess of 50 percent during the reporting year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per calendar day multiplied by the number of beds licensed in the facility as of September 30, 1991.*

(b) *Payments under paragraph (a) are excluded from medical assistance per diem rate calculations. These payments are required notwithstanding any rule prohibiting medical assistance payments from exceeding payments from private pay residents. A facility receiving a payment under paragraph (a) may*

not increase charges to private pay residents by an amount equivalent to the per diem amount payments under paragraph (a) would equal if converted to a per diem.

Sec. 57. Minnesota Statutes 1992, section 256B.432, is amended by adding a subdivision to read:

Subd. 8. [ADEQUATE DOCUMENTATION SUPPORTING NURSING FACILITY PAYROLLS.] Beginning July 1, 1993, payroll records supporting compensation costs claimed by long-term care facilities must be supported by affirmative time and attendance records prepared by each individual at intervals of not more than one month. The affirmative time and attendance record must identify the individual's name; the days worked during each pay period; the number of hours worked each day; and the number of hours taken each day by the individual for vacation, sick, and other leave. The affirmative time and attendance record must include a signed verification by the individual and the individual's supervisor, if any, that the entries reported on the record are correct.

Sec. 58. Minnesota Statutes 1992, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED PRACTICES.] A nursing facility is not eligible to receive medical assistance payments unless it refrains from all of the following:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances: the nursing facility may (1) charge private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be available to all residents in all areas of the nursing facility and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing facility in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing facility. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing facility that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing facility that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing facility may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or

according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance.

(b) Requiring an applicant for admission to the facility, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of \$100, loan any money to the nursing facility, or promise to leave all or part of the applicant's estate to the facility.

(c) Requiring any resident of the nursing facility to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing facility chosen by the nursing home.

(d) Providing differential treatment on the basis of status with regard to public assistance.

(e) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance or refusal to purchase special services. Admissions discrimination shall include, but is not limited to:

(1) basing admissions decisions upon assurance by the applicant to the nursing facility, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek public assistance for payment of nursing facility care costs; and

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately or an applicant's refusal to pay for a special service.

The collection and use by a nursing facility of financial information of any applicant pursuant to a preadmission screening program established by law shall not raise an inference that the nursing facility is utilizing that information for any purpose prohibited by this paragraph.

(f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any amount based on utilization or service levels or any portion of the vendor's fee to the nursing facility except as payment for renting or leasing space or equipment or purchasing support services from the nursing facility as limited by section 256B.433. All agreements must be disclosed to the commissioner upon request of the commissioner. Nursing facilities and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney's fees or their equivalent.

(g) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement

facility with more than 325 beds including at least 150 licensed nursing facility beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) accounts for all of the applicant's assets which are required to be assigned to the facility so that only expenses for the cost of care of the applicant may be charged against the account; and

(3) agrees in writing at the time of admission to the facility to permit the applicant, or the applicant's guardian, or conservator, to examine the records relating to the applicant's account upon request, and to receive an audited statement of the expenditures charged against the applicant's individual account upon request; and

(4) agrees in writing at the time of admission to the facility to permit the applicant to withdraw from the facility at any time and to receive, upon withdrawal, the balance of the applicant's individual account.

For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing facility or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing facility to correct the violation. The nursing facility shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing facility by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation and shall remain in effect until the violation is corrected. The nursing facility or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing facility is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing facility to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing facility.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only.

Sec. 59. Minnesota Statutes 1992, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be postmarked *or received by the commissioner* within 60 days of the date the determination of the payment rate was mailed *or personally received by a provider, whichever is earlier*. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding

the appeal; and other information required by the commissioner. The commissioner shall review an appeal by a nursing facility, if the appeal was sent by certified mail and postmarked prior to August 1, 1991, and would have been received by the commissioner within the 60-day deadline if it had not been delayed due to an error by the postal service.

Sec. 60. Minnesota Statutes 1992, section 256B.50, is amended by adding a subdivision to read:

Subd. 1h. [APPEALS REVIEW PROJECT.] (a) The appeals review procedure described in this subdivision is effective for desk audit appeals for rate years beginning between July 1, 1993, and June 30, 1997, and for field audit appeals filed during that time period. For appeals reviewed under this subdivision, subdivision 1c applies only to contested case demands under paragraph (c) and subdivision 1d does not apply.

(b) The commissioner shall review appeals and issue a written determination on each appealed item within one year of the due date of the appeal. Upon mutual agreement, the commissioner and the provider may extend the time for issuing a determination for a specified period. The commissioner shall notify the provider by first class mail of the determination. The determination takes effect 30 days following the date of issuance specified in the determination.

(c) In reviewing the appeal, the commissioner may request additional written or oral information from the provider. The provider shall have the right to present information by telephone or in person concerning the appeal to the commissioner or a designee prior to the issuance of the determination if a conference is requested within six months of the date the appeal was received by the commissioner. Statements made during the review are not admissible in a contested case hearing under paragraph (d) absent an express stipulation by the parties to the contested case.

(d) For an appeal item on which the provider disagrees with the determination, the provider may file with the commissioner a written demand for a contested case hearing to determine the proper resolution of specified appeal items. The demand must be postmarked or received by the commissioner within 30 days of the date of issuance specified in the determination. The commissioner shall refer any contested case demand to the office of the attorney general. When a contested case demand is referred to the office of the attorney general, the contested case procedures described in subdivision 1c apply and the written determination issued by the commissioner is of no effect.

(e) The commissioner has discretion to issue to the provider a proposed resolution for specified appeal items upon a request from the provider filed separately from the notice of appeal. The proposed resolution is final upon written acceptance by the provider within 30 days of the date the proposed resolution was mailed to or personally received by the provider, whichever is earlier.

(f) The commissioner may use the procedures described in this subdivision to resolve appeals filed prior to July 1, 1993.

Sec. 61. Minnesota Statutes 1992, section 256B.50, is amended by adding a subdivision to read:

Subd. 3. [TIME AND ATTENDANCE DISPUTED ITEMS.] The commissioner shall resolve pending appeals by a nursing facility of disallowances or

adjustments of compensation costs for rate years beginning prior to June 30, 1994, by recognizing the compensation costs reported by the nursing facility when the appealed disallowances or adjustments were based on a determination of inadequate documentation of time and attendance or equivalent records to support payroll costs. The recognition of costs provided in this subdivision pertains only to appeals of disallowances and adjustments based solely on disputed time and attendance or equivalent records. Appeals of disallowances and adjustments of compensation costs based on other grounds, including misrepresentation of costs or failure to meet the general cost criteria under Minnesota Rules, parts 9549.0010 to 9549.0080, are not governed by this subdivision.

Sec. 62. Minnesota Statutes 1992, section 256B.501, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meaning given them.

(a) "Commissioner" means the commissioner of human services.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for persons with mental retardation or related conditions.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n(c), as amended through December 31, 1987, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

(d) "Fringe benefits" means workers' compensation insurance, including costs related to operating a self-insured workers' compensation program under chapter 79A, group health insurance, disability insurance, dental insurance, group life insurance, and retirement benefits or plans.

Sec. 63. Minnesota Statutes 1992, section 256B.501, subdivision 3g, is amended to read:

Subd. 3g. [ASSESSMENT OF RESIDENTS.] For rate years beginning on or after October 1, 1990, the commissioner shall establish program operating cost rates for care of residents in facilities that take into consideration service characteristics of residents in those facilities. To establish the service characteristics of residents, the quality assurance and review teams in the department of health shall assess all residents annually beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the client's services needed and provided to each client to address behavioral needs, integration into the community, ability to perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. The commissioner may adjust the program operating cost rates of facilities based on a comparison of client service characteristics, resource needs, and costs. The commissioner may adjust a facility's payment rate during the rate year when accumulated changes in the facility's average service units exceed the

~~minimums established in the rules required by subdivision 3j.~~ By January 30, 1994, the commissioner shall report to the legislature on:

- (1) the assessment process and scoring system utilized;
- (2) possible utilization of assessment information by facilities for management purposes; and
- (3) possible application of the assessment for purposes of adjusting the operating cost rates of facilities based on a comparison of client services characteristics, resource needs, and costs.

Sec. 64. Minnesota Statutes 1992, section 256B.501; subdivision 3i, is amended to read:

Subd. 3i. [SCOPE.] Subdivisions 3a to 3e and 3h do not apply to facilities whose payment rates are governed by Minnesota Rules, part 9553.0075.

Sec. 65. Minnesota Statutes 1992, section 256B.501, is amended by adding a subdivision to read:

Subd. 5a. [CHANGES TO ICF/MR REIMBURSEMENT.] The reimbursement rule changes in paragraphs (a) and (b) apply to Minnesota Rules, parts 9553.0010 to 9553.0080, and this section, and are effective for rate years beginning on or after October 1, 1993, unless otherwise specified.

(a) In addition to the approved pension or profit sharing plans allowed by the reimbursement rule, the commissioner shall allow those plans specified in Internal Revenue Code, sections 403(b) and 408(k).

(b) The operating cost payment rate shall be increased by 72 cents effective July 1, 1993, to reimburse facilities for federal, state, and local mandates relating to hepatitis B vaccinations, workers' compensation increases, facility bed licensing charges, and other requirements. For rate periods and rate years beginning July 1, 1994, the adjustment to the operating cost payment rate for these costs shall be 31 cents.

(c) The commissioner must retroactively review a facility's expenditures related to this operating cost-payment rate adjustment. The period of review shall be July 1, 1993, to June 30, 1995. Each facility must report its expenditures on forms specified by the commissioner. The expenditures subject to review are costs of hepatitis B vaccinations; workers' compensation increases which exceed by five percent the amount of the facility's workers' compensation expense for the prior reporting year; facility bed licensing charge increases above those for the prior reporting year; and other new governmental mandates which occur during these two rate years. Any excess payments under this provision over these expenses must be recovered by the department. The excess payment, if any, shall be divided by the facilities resident days for its most recent desk audited reporting year, and shall be repaid over the facility's next rate year.

Sec. 66. Minnesota Statutes 1992, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers:

- (1) inpatient hospital services;

- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;
- (7) hearing aids;
- (8) prosthetic devices;
- (9) laboratory and X-ray services;
- (10) physician's services;
- (11) medical transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
- (16) day treatment services for mental illness provided under contract with the county board;
- (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
- (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
- (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments; and
- (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
- (21) *services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.*

(b) For a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with

organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(d) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(e) Any county may, from its own resources, provide medical payments for which state payments are not made.

(f) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(g) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 67. Minnesota Statutes 1992, section 256D.03, subdivision 8, is amended to read:

Subd. 8. [PRIVATE INSURANCE POLICIES.] (a) Private accident and health care coverage for medical services is primary coverage and must be exhausted before general assistance medical care is paid. When a person who is otherwise eligible for general assistance medical care has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. Supplemental payment may be made by general assistance medical care, but the combined total amount paid must not exceed the amount payable under general assistance medical care in the absence of other coverage. General assistance medical care must not make supplemental payment for covered services rendered by a vendor who participates or contracts with any health coverage plan if the plan requires the vendor to accept the plan's payment as payment in full. General assistance medical care payment will not be made when either covered charges are paid in full by a third party or the provider

has an agreement to accept payment for less than charges as payment in full. Payment for patients that are simultaneously covered by general assistance medical care and a liable third party other than Medicare will be determined as the lesser of clauses (1) to (3):

- (1) the patient liability according to the provider/insurer agreement;*
- (2) covered charges minus the third party payment amount; or*
- (3) the general assistance medical care rate minus the third party payment amount.*

A negative difference will not be implemented.

(b) When a parent or a person with an obligation of support has enrolled in a prepaid health care plan under section 518.171, subdivision 1, the commissioner of human services shall limit the recipient of general assistance medical care to the benefits payable under that prepaid health care plan to the extent that services available under general assistance medical care are also available under the prepaid health care plan.

(c) Upon furnishing general assistance medical care or general assistance to any person having private accident or health care coverage, or having a cause of action arising out of an occurrence that necessitated the payment of assistance, the state agency shall be subrogated, to the extent of the cost of medical care, subsistence, or other payments furnished, to any rights the person may have under the terms of the coverage or under the cause of action.

This right of subrogation includes all portions of the cause of action, notwithstanding any settlement allocation or apportionment that purports to dispose of portions of the cause of action not subject to subrogation.

(d) To recover under this section, the attorney general or the appropriate county attorney, acting upon direction from the attorney general, may institute or join a civil action to enforce the subrogation rights established under this section.

(e) The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the costs related to an injury when the state agency has paid or become liable for the cost of care or payments related to the injury. Notice must be given as follows:

(i) Applicants for general assistance or general assistance medical care shall notify the state or county agency of any possible claims when they submit the application. Recipients of general assistance or general assistance medical care shall notify the state or county agency of any possible claims when those claims arise.

(ii) A person providing medical care services to a recipient of general assistance medical care shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(iii) A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or

negotiating a settlement. *A person who is a party to a claim includes the plaintiff, the defendant(s), and any other named party to the cause of action.*

Notice given to the county agency is not sufficient to meet the requirements of paragraphs (b) and (c).

(f) Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has a subrogation right, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of general assistance or general assistance medical care paid to or on behalf of the person as a result of the injury must be deducted next and paid to the state agency. The rest must be paid to the public assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and collection costs.

Sec. 68. Minnesota Statutes 1992, section 259.431, subdivision 5, is amended to read:

Subd. 5. [MEDICAL ASSISTANCE; DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] The commissioner of human services shall:

(a) Issue a medical assistance identification card to any child with special needs *who is Title IV-E eligible, or who is not Title IV-E eligible but was determined by another state to have a special need for medical or rehabilitative care, and who is a resident in this state and is the subject of an adoption assistance agreement with another state when a certified copy of the adoption assistance agreement obtained from the adoption assistance state has been filed with the commissioner. The adoptive parents shall be required at least annually to show that the agreement is still in force or has been renewed.*

(b) Consider the holder of a medical assistance identification card under this subdivision as any other recipient of medical assistance under chapter 256B; process and make payment on claims for the recipient in the same manner as for other recipients of medical assistance.

(c) Provide coverage and benefits for a child *who is Title IV-E eligible or who is not Title IV-E eligible but was determined to have a special need for medical or rehabilitative care and who is in another state and who is covered by an adoption assistance agreement made by the commissioner for the coverage or benefits, if any, which is not provided by the resident state. The adoptive parents acting for the child may submit evidence of payment for services or benefit amounts not payable in the resident state and shall be reimbursed. However, there shall be no reimbursement for services or benefit amounts covered under any insurance or other third party medical contract or arrangement held by the child or the adoptive parents.*

(d) Publish emergency and permanent rules implementing this subdivision. Such rules shall include procedures to be followed in obtaining prior approvals for services which are required for the assistance.

Sec. 69. Minnesota Statutes 1992, section 393.07, subdivision 3, is amended to read:

Subd. 3. [FEDERAL SOCIAL SECURITY.] The county welfare board shall be charged with the duties of administration of all forms of public assistance and public child welfare or other programs within the purview of the federal Social Security Act, other than public health nursing and home

health services, and which now are, or hereafter may be, imposed on the commissioner of human services by law, of both children and adults. The duties of such county welfare board shall be performed in accordance with the standards and rules which may be promulgated by the commissioner of human services in order to achieve the purposes of the law and to comply with the requirements of the federal Social Security Act needed to qualify the state to obtain grants-in-aid available under that act. Notwithstanding the provisions of any other law to the contrary, the welfare board ~~may~~ shall delegate to the director the authority to determine eligibility and disburse funds without first securing board action, provided that the director shall present to the board, at the next scheduled meeting, any such action taken for ratification by the board.

Sec. 70. [514.980] [MEDICAL ASSISTANCE LIENS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 514.980 to 514.985.

Subd. 2. [MEDICAL ASSISTANCE AGENCY OR AGENCY.] "Medical assistance agency" or "agency" means the state or any county medical assistance agency that provides a medical assistance benefit.

Subd. 3. [MEDICAL ASSISTANCE BENEFIT.] "Medical assistance benefit" means a benefit provided under chapter 256B to a person while in a medical institution. A "medical institution" is defined as a nursing facility, intermediate care facility for persons with mental retardation, or inpatient hospital.

Sec. 71. [514.981] [MEDICAL ASSISTANCE LIEN.]

Subdivision 1. [PROPERTY SUBJECT TO LIEN; LIEN AMOUNT.] (a) Subject to sections 514.980 to 514.985, payments made by a medical assistance agency to provide medical assistance benefits to a medical assistance recipient who owns property in this state or to the recipient's spouse constitute a lien in favor of the agency upon all real property that is owned by the medical assistance recipient on or after the time when the recipient is institutionalized.

(b) The amount of the lien is limited to the same extent as a claim against the estate under section 256B.15, subdivision 2.

Subd. 2. [ATTACHMENT.] (a) A medical assistance lien attaches and becomes enforceable against specific real property as of the date when the following conditions are met:

(1) payments have been made by an agency for a medical assistance benefit;

(2) notice and an opportunity for a hearing have been provided under paragraph (b);

(3) a lien notice has been filed as provided in section 514.982;

(4) if the property is registered property, the lien notice has been memorialized on the certificate of title of the property affected by the lien notice; and

(5) all restrictions against enforcement have ceased to apply.

(b) An agency may not file a medical assistance lien notice until the medical assistance recipient and the recipient's spouse or their legal representatives have been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing under section 256.045. In addition, the agency may not file a lien notice unless the agency determines that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution to return home, as medically verified by the recipient's attending physician.

(c) An agency may not file a medical assistance lien notice against real property while it is the home of the recipient's spouse.

(d) An agency may not file a medical assistance lien notice against real property that was the homestead of the medical assistance recipient or the recipient's spouse when the medical assistance recipient received medical institution services if any of the following persons are lawfully residing in the property:

(1) a child of the medical assistance recipient if the child is under age 21 or is blind or permanently and totally disabled according to the supplemental security income criteria;

(2) a child of the medical assistance recipient if the child resided in the homestead for at least two years immediately before the date the medical assistance recipient received medical institution services, and the child provided care to the medical assistance recipient that permitted the recipient not to require medical institution services; or

(3) a sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided in the property for at least one year immediately before the date the medical assistance recipient began receiving medical institution services.

(e) A medical assistance lien applies only to the specific real property described in the lien notice.

Subd. 3. [CONTINUATION OF LIEN NOTICE AND LIEN.] A medical assistance lien notice remains effective from the time it is filed until it can be disregarded under sections 514.980 to 514.985. A medical assistance lien that has attached to specific real property continues until the lien is satisfied, becomes unenforceable under subdivision 6, or is released and discharged under subdivision 5.

Subd. 4. [LIEN PRIORITY.] A medical assistance lien that attaches to specific real property is subject to the rights of any other person, including an owner, other than the recipient or recipient's spouse, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest in the real property is perfected before a lien notice has been filed under section 514.982. The rights of the other person have the same protections against a medical assistance lien as are afforded against a judgment lien that arises out of an unsecured obligation and that arises as of the time of the filing of the medical assistance lien notice under section 514.982. A medical assistance lien is inferior to a lien for taxes or special assessments, or other lien that would be superior to the perfected lien of a judgment creditor.

Subd. 5. [RELEASE.] (a) An agency that files a medical assistance lien notice shall release and discharge the lien in full if:

(1) the medical assistance recipient is discharged from the medical institution and returns home;

(2) the medical assistance lien is satisfied;

(3) the agency has received reimbursement for the amount secured by the lien or a legally enforceable agreement has been executed providing for reimbursement of the agency for that amount; or

(4) the medical assistance recipient, if single, or the recipient's surviving spouse, has died, and a claim may not be filed against the estate of the decedent under section 256B.15, subdivision 3.

(b) Upon request, the agency that files a medical assistance lien notice shall release a specific parcel of real property from the lien if:

(1) the property is or was the homestead of the recipient's spouse during the time of the medical assistance recipient's institutionalization, or the property is or was attributed to the spouse under section 256B.059, subdivision 3 or 4, and the spouse is not receiving medical assistance benefits;

(2) the property would be exempt from a claim against the estate under section 256B.15, subdivision 4;

(3) the agency receives reimbursement, or other collateral sufficient to secure payment of reimbursement, in an amount equal to the lesser of the amount secured by the lien, or the amount the agency would be allowed to recover upon enforcement of the lien against the specific parcel of property if the agency attempted to enforce the lien on the date of the request to release the lien; or

(4) the medical assistance lien cannot lawfully be enforced against the property because of an error, omission, or other material defect in procedure, description, identity, timing, or other prerequisite to enforcement.

(c) The agency that files a medical assistance lien notice may release the lien if the attachment or enforcement of the lien is determined by the agency to be contrary to the public interest.

(d) The agency that files a medical assistance lien notice shall execute the release of the lien and file the release as provided in section 514.982, subdivision 2.

Subd. 6. [TIME LIMITS; CLAIM LIMITS.] (a) A medical assistance lien is not enforceable against specific real property if any of the following occurs:

(1) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within 18 months of the agency's receipt of notice of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later; or

(2) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within three years of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later. This limitation is tolled during any period when the provisions of section 514.983, subdivision 2, apply to delay enforcement of the lien.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that

there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part in accordance with the priority of claims established by chapters 256B and 524. The agency's lien remains enforceable to the extent that assets are available to satisfy the agency's lien, subject to the priority of other claims, and to the extent that the agency's claim is allowed against the estate under chapters 256B and 524.

Sec. 72. [514.982] [MEDICAL ASSISTANCE LIEN NOTICE.]

Subdivision 1. [CONTENTS.] A medical assistance lien notice must be dated and must contain:

(1) the full name, last known address, and social security number of the medical assistance recipient and the full name, address, and social security number of the recipient's spouse;

(2) a statement that medical assistance payments have been made to or for the benefit of the medical assistance recipient named in the notice, specifying the first date of eligibility for benefits;

(3) a statement that all interests in real property owned by the persons named in the notice may be subject to or affected by the rights of the agency to be reimbursed for medical assistance benefits; and

(4) the legal description of the real property upon which the lien attaches, and whether the property is registered property.

Subd. 2. [FILING.] Any notice, release, or other document required to be filed under sections 514.980 to 514.985 must be filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real property is located. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under sections 514.980 to 514.985. The commissioner of human services shall reimburse the county agency for filing fees paid under this section. An attestation, certification, or acknowledgment is not required as a condition of filing. Upon filing of a medical assistance lien notice, the registrar of titles shall record it on the certificate of title of each parcel of property described in the lien notice. The county recorder of each county shall establish an index of medical assistance lien notices, other than those that affect only registered property, showing the names of all persons named in the medical assistance lien notices filed in the county, arranged alphabetically. The index must be combined with the index of state tax lien notices. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency. The agency shall send a copy of the medical assistance lien notice by registered or certified mail to each record owner and mortgagee of the real property.

Sec. 73. [514.983] [LIEN ENFORCEMENT; LIMITATION.]

Subdivision 1. [FORECLOSURE PROCEDURE.] Subject to subdivision 2, a medical assistance lien may be enforced by the agency that filed it by foreclosure in the manner provided for foreclosure of a judgment lien under chapter 550.

Subd. 2. [HOMESTEAD PROPERTY.] (a) A medical assistance lien may not be enforced against homestead property of the medical assistance recipient or the spouse while it remains the lawful residence of the medical assistance recipient's spouse.

(b) A medical assistance lien remains enforceable as provided in sections 514.980 to 514.985, notwithstanding any law limiting the enforceability of a judgment.

Sec. 74. [514.984] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

Sections 514.980 to 514.985 do not limit the right of an agency to file a claim against the estate of a medical assistance recipient or the estate of the spouse or limit any other claim for reimbursement of agency expenses or the availability of any other remedy provided to the agency.

Sec. 75. [514.985] [AMOUNTS RECEIVED TO SATISFY LIEN.]

Amounts received by the state to satisfy a medical assistance lien filed by the state must be deposited in the state treasury and credited to the fund from which the medical assistance payments were made. Amounts received by a county medical assistance agency to satisfy a medical assistance lien filed by the county medical assistance agency must be deposited in the county treasury and credited to the fund from which the medical assistance payments were made.

Sec. 76. Laws 1992, chapter 513, article 7, section 131, is amended to read:

Sec. 131. [PHYSICIAN AND DENTAL REIMBURSEMENT.]

(a) The physician reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 2, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Health Care Finance Administration's common procedural coding system (HCPCS) codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," caesarean delivery and pharmacologic management provided to psychiatric patients, and HCPCS level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in Minnesota Statutes, section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) The dental reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 5, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(c) *An entity that operates both a Medicare certified comprehensive outpatient rehabilitation facility and a facility which was certified prior to January 1, 1993, that is licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, and for whom at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year are medical assistance recipients, shall be reimbursed by the commissioner for rehabilitation services at rates that are 38 percent greater than the maximum reimbursement rate allowed under paragraph (a), clause (2), when those services are (1) provided within the comprehensive outpatient rehabilitation facility and (2) provided to residents of nursing facilities owned by the entity.*

Sec. 77. [WAIVER REQUEST TO LIMIT ASSET TRANSFERS.]

The commissioner of human services shall seek federal law changes and federal waivers necessary to implement Minnesota Statutes, sections 256B.0595, subdivisions 1 and 2.

Sec. 78. [INFLATION ADJUSTMENTS FOR NURSING FACILITIES AND ICF/MR FACILITIES.]

For the biennium ending June 30, 1995, the commissioner of human services shall grant inflation adjustments for nursing facilities with rate years beginning during the biennium according to Minnesota Statutes, section 256B.431, subdivision 21, and shall grant inflation adjustments for ICF's/MR with rate years beginning during the biennium according to Minnesota Statutes, section 256B.501, subdivision 3c.

Sec. 79. [REIMBURSEMENT OF MASTERS-PREPARED MENTAL HEALTH PRACTITIONERS.]

For the fiscal year ending June 30, 1994, medical assistance and general assistance medical care payments for mental health services provided by masters-prepared mental health professionals, except services provided by community mental health centers, shall be 80 percent of the rate paid to doctoral-prepared mental health professionals, and for the fiscal year ending June 30, 1995, these payments shall be 90 percent of the doctoral-level rate.

Sec. 80. [PHYSICIAN SURCHARGE STUDY.]

The commissioner of human services, in cooperation with the commissioner of revenue, shall study and recommend to the legislature by January 15, 1994, a plan to replace the physician license surcharge with a surcharge on the tax levied on physicians under Minnesota Statutes, section 295.52. The plan must be designed to take effect July 1, 1994, and to raise an amount of revenue equal to the amount anticipated from the current surcharge.

Sec. 81. [HOSPITAL PAYMENT MODIFICATIONS.]

The commissioner of human services shall study and report to the legislature by January 15, 1994, with a plan to combine the medical assistant inpatient hospital reimbursement system with the reimbursement system to be developed by the health care commission.

Sec. 82. [NURSING HOME SURCHARGE DISCLOSURE.]

A nursing home licensed under Minnesota Statutes, chapter 144A, and not certified to participate in the medical assistance program shall include the following in 10-point type in any rate notice issued after the effective date of this section: THE NURSING HOME SURCHARGE THAT APPLIES TO THIS FACILITY EFFECTIVE OCTOBER 1, 1992, THROUGH JUNE 30, 1993, IS \$535 PER BED PER YEAR, OR \$1.47 PER DAY. THE SURCHARGE IS INCREASED EFFECTIVE JULY 1, 1993, TO \$720 PER BED PER YEAR, OR A TOTAL OF \$1.98 PER DAY. ANY RATE IN EXCESS OF THESE AMOUNTS IS NOT DUE TO THE NURSING HOME SURCHARGE.

Sec. 83. [LEGISLATIVE INTENT.]

Section 2 and section 10, paragraph (c), are intended to clarify, rather than to change, the original intent of the statutes amended.

Sec. 84. [REPORT TO THE LEGISLATURE.]

The commissioner of human services, in coordination with the commissioner of finance, shall study and report to the legislature by January 15, 1994, on the following: (1) recommendations on how to phase out provider surcharge collections included by the governor in the revenue base for the 1994-95 biennium, and (2) an evaluation of compliance by the commissioner of finance with the paragraph in Laws 1992, chapter 513, article 5, section 2, subdivision 1, which required the commissioner of finance to (i) prepare a biennial budget for fiscal years 1994-95 that did not include provider surcharge revenues in excess of the estimated costs associated with the MinnesotaCare program, and (ii) prepare a plan to phase out the non-MinnesotaCare surcharges by June 30, 1995.

Sec. 85. [ALTERNATIVE CARE PROGRAM PILOT PROJECTS.]

Subdivision 1. [PROJECT PURPOSE.] (a) By September 1, 1993, the commissioner of human services shall select up to six pilot projects for the alternative care program. The purpose of the pilot projects is to simplify program administration and reduce documentation, increase service flexibility, and more clearly identify program outcomes. The pilot projects must begin January 1, 1994, and expire June 30, 1996.

(b) Projects must be selected based on their ability to improve client outcomes, broaden service choices, and reduce average per client costs and administrative costs. If sufficient satisfactory applications are received, the commissioner shall approve three projects in the seven-county metropolitan area and three projects outside the metropolitan area. If sufficient satisfactory applications are not received, more than three projects may be approved in either the metropolitan or nonmetropolitan areas. Up to two projects may include SAIL counties.

Subd. 2. [TERMS.] A county or counties may apply to participate in the pilot project by submitting to the commissioner an amendment to the biennial plan that identifies measurable outcomes to be achieved under the pilot project. Participating counties shall determine the types of services to be reimbursed with alternative care program grant funds and any individual client reimbursement limits. Participating counties shall determine the payment rates for all services under the pilot project. Participating counties will maintain their average monthly alternative care expenditures per client at their calendar 1993 averages adjusted for any overall increase in the case mix complexity of their caseload. A county may spend up to five percent of grant

funds for needed client services that are not listed under Minnesota Statutes, section 256B.0913, subdivision 5. The average expenditure per client in a pilot project must not exceed 75 percent of the statewide individual average nursing home costs.

Subd. 3. [DOCUMENTATION.] Beginning January 1, 1994, a county or counties participating in a pilot project shall not submit invoices for processing through the medical assistance management information system (MMIS) or other individual client service and reimbursement data for services delivered after December 31, 1993. A pilot project county must provide to the commissioner the minimum client-specific characteristics required to make nursing facility occupancy and alternative care program cost forecasts and the minimum client-specific data necessary for long-term care planning and alternative care pilot project evaluation. The client-specific characteristics must be submitted to the commissioner quarterly. The commissioner shall minimize the reporting required from counties.

Subd. 4. [FUNDING.] On March 1, 1994, and monthly thereafter until June 30, 1994, the commissioner shall issue to counties participating in the pilot projects an amount of money equal to one-sixth of each county's unexpended allocation of base and targeted alternative care appropriations under Minnesota Statutes, section 256B.0913, subdivisions 10 and 11. On July 1, 1994, and monthly thereafter, the commissioner shall issue an amount of money equal to one-twelfth of the fiscal year 1994 allocation. Additional targeted funds may be allocated based on the criteria established in Minnesota Statutes, section 256B.0913, to the extent that money is available. Targeted funds will be equally distributed over the remaining months of the fiscal year. Counties participating in the pilot projects must submit to the commissioner quarterly expenditure reports and reconcile the actual expenditure on September 1, 1995.

Sec. 86. [REPORT.]

The commissioner must evaluate the pilot projects and report findings to the legislature by February 1, 1995. The report must evaluate client outcomes and service utilization, total spending and average per client costs, administrative cost reductions, changes in the types of services provided, and any border problems with contiguous nonpilot counties.

Sec. 87. [REPEALER.]

Minnesota Statutes 1992, section 144A.071, subdivisions 4 and 5, are repealed.

Sec. 88. [EFFECTIVE DATE.]

Sections 2 and 83 are effective the day following final enactment and apply to cases pending or brought on or after their effective date. Section 24 is effective retroactive to October 1, 1992. Section 33 is effective retroactive to July 1, 1992. The definition of total premium revenue in section 10, paragraph (c), applies to all health maintenance organization surcharges effective October 1, 1992. Sections 3, 7, and 82 are effective the day following final enactment.

Section 25 shall be in effect as to all persons who begin their first continuous period of institutionalization on or after July 1, 1994. Sections 27 and 28 apply to transfers that occur after June 30, 1993, or after the effective date of the waivers or law changes referred to in section 77, whichever is

later, except that those portions of section 28 that may be implemented without federal approval apply to transfers for less than fair market value made on or after July 1, 1993.

ARTICLE 7

FAMILY SELF-SUFFICIENCY AND CHILD SUPPORT ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 144.215, subdivision 3, is amended to read:

Subd. 3. [FATHER'S NAME; CHILD'S NAME.] In any case in which paternity of a child is determined by a court of competent jurisdiction, ~~or upon compliance with the provisions of a declaration of parentage is executed under section 257.55, subdivision 1, clause (e) 257.34, or a recognition of parentage is executed under section 257.75,~~ the name of the father shall be entered on the birth certificate. If the order of the court declares the name of the child, it shall also be entered on the birth certificate. If the order of the court does not declare the name of the child, or there is no court order, then upon the request of both parents in writing, the surname of the child shall be that of the father.

Sec. 2. Minnesota Statutes 1992, section 256.025, subdivision 1, is amended to read:

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

(b) "Base amount" means the calendar year 1990 county share of county agency expenditures for all of the programs specified in subdivision 2, *except for the programs in subdivision 2, clauses (4), (7), and (13). The 1990 base amount for subdivision 2, clause (4), shall be reduced by one-seventh for each county, and the 1990 base amount for subdivision 2, clause (7), shall be reduced by seven-tenths for each county, and those amounts in total shall be the 1990 base amount for group residential housing in subdivision 2, clause (13).*

(c) "County agency expenditure" means the total expenditure or cost incurred by the county of financial responsibility for the benefits and services for each of the programs specified in subdivision 2. The term includes the federal, state, and county share of costs for programs in which there is federal financial participation. For programs in which there is no federal financial participation, the term includes the state and county share of costs. The term excludes county administrative costs, unless otherwise specified.

(d) "Nonfederal share" means the sum of state and county shares of costs of the programs specified in subdivision 2.

(e) The "county share of county agency expenditures growth amount" is the amount by which the county share of county agency expenditures in calendar years 1991 to 2000 has increased over the base amount.

Sec. 3. Minnesota Statutes 1992, section 256.025, subdivision 2, is amended to read:

Subd. 2. [COVERED PROGRAMS AND SERVICES.] The procedures in this section govern payment of county agency expenditures for benefits and services distributed under the following programs:

- (1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;
- (2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (3) general assistance medical care under section 256D.03, subdivision 6;
- (4) general assistance under section 256D.03, subdivision 2;
- (5) work readiness under section 256D.03, subdivision 2;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;
- (9) work readiness services under section 256D.051;
- (10) case management services under section 256.736, subdivision 13;
- (11) general assistance claims processing, medical transportation and related costs; ~~and~~
- (12) medical assistance, medical transportation and related costs; *and*
- (13) *group residential housing under section 256I.05, subdivision 8, transferred from programs in clauses (4) and (7).*

Sec. 4. Minnesota Statutes 1992, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine consecutive months ~~and~~. The assistance unit ~~shall execute~~ *must sign* an agreement to dispose of the property *and to repay assistance received during the nine months up to that would not have been paid had the property been sold at the beginning of such period, but not to exceed the amount of the net sale proceeds. The payment must be made when the property is sold. family has five working days from the date it realizes cash from the sale of the property to repay the overpayment.* If the property is not sold within the required time or the assistance unit becomes ineligible for any reason ~~the entire amount received during the nine months is an overpayment and subject to recovery during the nine-month period, the amount payable under the agreement will not be determined and recovery will not begin until the property is in fact sold. If the property is intentionally sold at less than fair market value or if a good faith effort to sell the property is not being made, the overpayment amount shall be computed using the fair market value determined at the beginning of the nine-month period.~~ For the purposes of this section, "homestead" means the home that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. "Usual residence" includes the home from which the child, relative,

or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 5. Minnesota Statutes 1992, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per calendar year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act (JTPA) may be disregarded for six calendar months per calendar year. *These two earnings disregards cannot be combined to allow more than a total of six months per calendar year when the earned income of a full-time student is derived from participation in a program under the JTPA.* If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a, shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 6. Minnesota Statutes 1992, section 256.73, subdivision 5, is amended to read:

Subd. 5. [AID FOR UNBORN CHILDREN PREGNANT WOMEN.] (a) For the purposes of sections 256.72 to 256.87, assistance payments shall be made during the final three months of pregnancy to a pregnant woman who has with no other children but who otherwise qualifies for assistance except for medical assistance payments which shall be made at the time that pregnancy is confirmed by a physician if the pregnant woman has no other children and otherwise qualifies for assistance as provided in sections 256B.055 and 256B.056 receiving assistance when it is medically verified that the unborn child is expected to be born in the month the payment is made or within the three-month period following the month of payment. Eligibility must be determined as if the unborn child had been born and was living with her, considering the needs, income, and resources of all individuals in the filing unit. If eligibility exists for this fictional unit, the pregnant woman is eligible and her payment amount is determined based solely on her needs, income, including deemed income, and resources. No payments shall be made for the needs of the unborn or for any special needs occasioned by the pregnancy except as provided in clause paragraph (b). The commissioner of human services shall promulgate, pursuant to the administrative procedures act, rules to implement this subdivision.

(b) The commissioner may, according to rules, make payments for the purpose of meeting special needs occasioned by or resulting from pregnancy both for a pregnant woman with no other children receiving assistance as well as for a pregnant woman receiving assistance as provided in sections 256.72 to 256.87. The special needs payments shall be dependent upon the needs of the pregnant woman and the resources allocated to the county by the commissioner and shall be limited to payments for medically recognized special or supplemental diet needs and the purchase of a crib and necessary clothing for the future needs of the unborn child at birth. The commissioner shall, according to rules, make payments for medically necessary prenatal care of the pregnant woman and the unborn child.

Sec. 7. Minnesota Statutes 1992, section 256.73, subdivision 8, is amended to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] (a) If an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's total income after deducting work expenses as allowed under section 256.74, subdivision 1, clauses (3) and (4), equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting allowable work expenses must equal at least 99 percent of the standard of need. Notwithstanding the preceding sentence, beginning on the date on which the

~~commissioner implements a computerized client eligibility and information system in one or more counties.~~ All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. *If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent.* In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 8. Minnesota Statutes 1992, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers ~~required to register permitted to participate~~ under subdivision ~~3~~ 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider ~~caretakers who fall into the targeted groups~~ the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the ~~targeted~~ target groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage ~~nontargeted~~ nontarget caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the

head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;

(11) ensure that orientation, job search, services to custodial parents under the age of 20, *educational activities and work experience for AFDC-UP families*, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that ~~targeted~~ *target* caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 and at least one of the following employment and training services: ~~community work experience program (CWEP) as defined in section 256.737, a community work experience program as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738; or. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. Each county is urged to adopt grant diversion as the second program required under this clause. A county is not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in a grant diversion or on-the-job training program;~~

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker

is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's long-term employment goal which shall lead to self-sufficiency; and

(16) obtain the written or oral concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements to assure that no work assignment under this section or sections 256.737, 256.738, and 256.739 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for purposes of this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a ~~targeted~~ target caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined

under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the ~~nontargeted~~ *nontarget* caretaker relocates to another county or when a ~~targeted~~ *target* caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 9. Minnesota Statutes 1992, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction ~~who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers except in the time limits described in this paragraph:~~

(1) ~~caretakers who are exempt from registration under subdivision 3 within 60 days of being determined eligible for AFDC for caretakers with a continued absence or incapacitated parent basis of eligibility; and or~~

(2) ~~caretakers who are not within 30 days of being determined eligible for AFDC for caretakers with an unemployed parent basis of eligibility.~~

(b) ~~Caretakers are required to attend an in-person orientation if the caretaker is a member of one of the groups listed in subdivision 3a, paragraph (a), and who are either responsible for the care of an incapacitated person or a dependent child under the age of six or enrolled at least half time in any recognized school, training program, or institution of higher learning unless the caretaker is exempt from registration under subdivision 3 and the caretaker's exemption basis will not expire within 60 days of being determined eligible for AFDC, or the caretaker is enrolled at least half time in any recognized school, training program, or institution of higher learning and the in-person orientation cannot be scheduled at a time that does not interfere with the caretaker's school or training schedule. The county agency shall require attendance at orientation of caretakers described in subdivision 3a, paragraph (b) or (c), if they become the commissioner determines that the groups are eligible for participation in employment and training services.~~

(b) ~~Except as provided in paragraph (e),~~ (c) The orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;

(4) the obligations of the county agency and service providers under contract to the county agency;

(5) the rights, responsibilities, and obligations of participants;

(6) the grounds for exemption from mandatory employment and training services or educational requirements;

(7) the consequences for failure to participate in mandatory services or requirements;

(8) the method of entering educational programs or employment and training services available through the county;

(9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;

(10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings; and

(11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings; and

(12) the availability and benefits of the Head Start program.

(c) *(d)* Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

~~(d)~~ *(e)* County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The county agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

~~(e)~~ Orientation for caretakers not eligible for participation in employment and training services under the provisions of subdivision 3a, paragraphs (a) and (b), shall present information only on those employment, training, and support services available to those caretakers, and information on clauses (2), (3), (9), (10), and (11) of paragraph (a) and all of paragraph (c), and may not last more than two hours. The county or, under contract, the county's employment and training service provider shall mail written orientation materials containing the information specified in paragraph (c), clauses (1) to (3) and (8) to (12), to each caretaker exempt from attending an in-person orientation or who has good cause for failure to attend after at least two dates for their orientation have been scheduled. The county or the county's employment and training service provider shall follow up with a phone call, or in writing, within two weeks after mailing the material.

(f) Persons required to attend orientation must be informed of the penalties for failure to attend orientation, support services to enable the person to attend, what constitutes good cause for failure to attend, and rights to appeal. Persons required to attend orientation must be offered a choice of at least two dates for their first scheduled orientation. No person may be sanctioned for failure to attend orientation until after a second failure to attend.

(g) Good cause for failure to attend an in-person orientation exists when a caretaker cannot attend because of:

(1) temporary illness or injury of the caretaker or of a member of the caretaker's family that prevents the caretaker from attending an orientation during the hours when the orientation is offered;

(2) a judicial proceeding that requires the caretaker's presence in court during the hours when orientation is scheduled; or

(3) a nonmedical emergency that prevents the caretaker from attending an orientation during the hours when orientation is offered. "Emergency" for the purposes of this paragraph means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires immediate action.

(h) Caretakers must receive a second orientation only when:

(1) there has been a 30-day break in AFDC eligibility; and

(2) the caretaker has not attended an orientation within the previous 12-month period, excluding the month of reapplication for AFDC.

Sec. 10. Minnesota Statutes 1992, section 256.736, subdivision 14, is amended to read:

Subd. 14. [JOB SEARCH.] (a) The commissioner of human services shall Each county agency must establish and operate a job search program as provided under Public Law Number 100-485 this section. Unless exempt, the principal wage earner in an AFDC-UP assistance unit must be referred to, and begin participation in the job search program within 30 days of being determined eligible for AFDC, and must begin participation within four months of being determined eligible. If the principal wage earner is exempt from participation in job search, the other caretaker must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC. The principal wage earner or the other caretaker is exempt from job search participation if:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities;

(3) the caretaker is exempt from registration under subdivision 3; or

(4) the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available (2) the caretaker is under age 25, has not completed a high school diploma or an equivalent program, and is participating in a secondary education program as defined in subdivision 10, paragraph (a), clause (17), which is approved by the employment and training service provider in the employability development plan.

(b) The job search program must provide the following services:

(1) an initial period of up to four consecutive weeks of job search activities for no less than 20 hours per week but not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and

shall report to the county board agency if the caretaker fails to cooperate with the job search requirement; and.

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks for any 12 consecutive month period beginning with the month of application.

(c) The job search program may provide services to non-AFDC-UP caretakers.

(d) After completion of job search requirements in this section, nonexempt caretakers shall be placed in and must participate in and cooperate with the work experience program under section 256.737, the on-the-job training program under section 256.738, or the grant diversion program under section 256.739. Caretakers must be offered placement in a grant diversion or on-the-job training program, if either such employment is available, before being required to participate in a community work experience program under section 256.737.

Sec. 11. Minnesota Statutes 1992, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as specified in paragraphs (b) to (j).

(b) For purposes of this section subdivision, "targeted caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) One hundred percent of the money appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of cases in each county described in clause (1). Money appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which either have been open for 36 or more consecutive months or have a caretaker who is under age 24 and who has no high school or general equivalency diploma. The average number of cases must be based on counts of these cases as of March 31, June 30, September 30, and December 31 of the previous year.

(2) Twenty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which are not counted under clause (1). The average number of cases must be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous year.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for ~~targeted~~ target group members in each county.

(d) No more than 15 percent of the money allocated under paragraph (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) At least 55 percent of the money allocated to counties under paragraph (c) must be used for employment and training services for caretakers in the ~~targeted~~ target groups, and up to 45 percent of the money may be used for employment and training services for ~~nontargeted~~ nontarget caretakers. One hundred percent of the money allocated to counties for case management services must be used to provide those services to caretakers in the ~~targeted~~ target groups.

(f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(g) Counties ~~and~~, the department of jobs and training, *and entities under contract with either the department of jobs and training or the department of human services for provision of Project STRIDE-related services* shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of jobs and training, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the ~~fourth~~ third quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a); excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

(j) *One hundred percent of the money appropriated for an unemployed parent work experience program under section 256.737 must be allocated to*

counties based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

Sec. 12. Minnesota Statutes 1992, section 256.736, is amended by adding a subdivision to read:

Subd. 19. [EVALUATION.] In order to evaluate the services provided under this section, the commissioner may randomly assign no more than 2,500 families to a control group. Families assigned to the control group shall not participate in services under this section, except that families participating in services under this section at the time they are assigned to the control group may continue such participation. Recipients assigned to the control group who are included under subdivision 3a, paragraph (a), shall be guaranteed child care assistance under chapter 256H for an educational plan authorized by the county. Once assigned to the control group, a family must remain in that group for the duration of the evaluation period. The evaluation period shall coincide with the demonstration authorized in section 256.031, subdivision 3.

Sec. 13. [256.7364] [FEDERAL WAIVER.]

The commissioner of human services shall make changes in the state plan and seek waivers or demonstration authority needed to minimize the barriers to effective and efficient use of grant diversion under section 256.739 as a method of placing AFDC recipients in suitable employment. The commissioner shall implement the federally approved changes as soon as possible.

Sec. 14. Minnesota Statutes 1992, section 256.737, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services shall continue the pilot community work experience demonstration programs that were approved by January 1, 1984. The commissioner may establish additional community work experience programs in as many counties as necessary to comply with the participation requirements of the Family Support Act of 1988, Public Law Number 100-485. Programs established on or after July 1, 1989, must be operated on a volunteer basis and must be operated according to the Family Support Act of 1988, Public Law Number 100-485. To the degree required by federal law or regulation, each county agency must establish and operate a community work experience program to assist nonexempt caretakers in AFDC-UP households achieve self-sufficiency by enhancing their employability through participation in meaningful work experience and training, the development of job search skills, and the development of marketable job skills. This subdivision does not apply to AFDC recipients participating in the Minnesota family investment program under sections 256.031 to 256.0361.

Sec. 15. Minnesota Statutes 1992, section 256.737, subdivision 1a, is amended to read:

Subd. 1a. [COMMISSIONER'S DUTIES.] The commissioner shall: (a) assist counties in the design and implementation of these programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the

implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until June 30, 1993, unless superseded by permanent rules; (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law; and (d) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee *bargaining unit* position established as of January 1, 1989/1993. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. *Written or oral* concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative *within seven days*. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Sec. 16. Minnesota Statutes 1992, section 256.737, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] (a) ~~Programs~~ *Worksites developed* under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, *community service, services to aged or disabled citizens,* and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition of placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to ~~participate in the following services:~~

(1) *for placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or*

(2) *basic educational or vocational or occupational training for an identifiable job opportunity for placement in suitable employment through participation in on-the-job training under section 256.738 or grant diversion under section 256.739, if such employment is available.*

(c) ~~A recipient who has completed a caretaker referred to job search under section 256.736, subdivision 14, and who is unable has failed to secure suitable employment, and who is not enrolled in an approved training program may must~~ participate in a community work experience program.

(d) The county agency shall limit the maximum number of hours any participant under this section may work in any month to:

(1) *for counties operating an approved mandatory community work experience program as of January 1, 1993, who elect this method for countywide operations, a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage; or*

(2) *for all other counties, a caretaker must participate in any week 20 hours with no less than 16 hours spent participating in a work experience placement and no more than four of the hours spent in alternate activities as described in the caretaker's employability development plan. Placement in a work*

experience worksite must be based on the assessment required under section 256.736 and the caretaker's employability development plan. Caretakers participating under this clause may be allowed excused absences from the assigned job site of up to eight hours per month. For the purposes of this clause, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, the unavailability of licensed child care or transportation needed to participate in the work experience placement, a job interview, or a nonmedical emergency. For purposes of this clause, "emergency" has the meaning given it in section 256.736, subdivision 10a, paragraph (g).

(e) After a participant has been assigned to a position under this section paragraph (d), clause (1), for nine months, the participant may not continue in that assignment unless the maximum number of hours a participant works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

(g) *Structured, supervised volunteer work with an agency or organization which is monitored by the county service provider may, with the approval of the commissioner of jobs and training, be used as a work experience placement.*

Sec. 17. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 3. [EXEMPTIONS.] A caretaker is exempt from participation in a work experience placement under this section if the caretaker is exempt from participation in job search under section 256.736, subdivision 14, or the caretaker is suitably employed in a grant diversion or an on-the-job training placement. Caretakers who, as of October 1, 1993, are participating in an education or training activity approved under a Project STRIDE employability development plan are exempt from participation in a work experience placement until July 1, 1994.

Sec. 18. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 4. [GOOD CAUSE.] A caretaker shall have good cause for failure to cooperate if:

(1) the worksite participation adversely affects the caretaker's physical or mental health as verified by a physician, licensed or certified psychologist, physical therapist, vocational expert, or by other sound medical evidence; or

(2) the caretaker does not possess the skill or knowledge required for the work.

Sec. 19. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 5. [FAILURE TO COMPLY.] A caretaker required to participate under this section who has failed without good cause to participate shall be provided with notices, appeal opportunities, and offered a conciliation conference under the provisions of section 256.736, subdivision 4a, and shall be subject to the sanction provisions of section 256.736, subdivision 4, clause (6).

Sec. 20. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 6. [FEDERAL REQUIREMENTS.] If the Family Support Act of 1988, Public Law Number 100-485, is revised or if federal implementation of that law is revised so that Minnesota is no longer obligated to operate a mandatory work experience program for AFDC-UP families, the commissioner shall operate the work experience program under this section as a volunteer program, and shall utilize the funding authorized for work experience to improve and expand the availability of other employment and training services authorized under this section.

Sec. 21. Minnesota Statutes 1992, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit AFDC family must be budgeted in the normal retrospective cycle. ~~The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other~~ When the family's income, after application of the applicable disregards, ~~by exceeds the standard of need standard for the assistance unit family because of receipt of earned or unearned lump sum income, the family will be ineligible for the full number of month derived by dividing the sum of the lump sum income and other income by the monthly need standard for a family of that size. An amount~~ Any income remaining after from this calculation is income in the first month following the period of eligibility ineligibility. ~~If the total monthly income including the lump sum income is larger than the standard of need for a single month~~ The first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. For purposes of applying the lump sum provision, family includes those persons defined in the Code of Federal Regulations, title 45, section 233.20(a)(3)(ii)(F). A period of ineligibility must be shortened when the standard of need increases and the amount the family would have received also changes, an amount is documented as stolen; an amount is unavailable because a member of the family left the household with that amount and has not returned, an amount is paid by the family during the period of ineligibility to cover a cost that would otherwise qualify for emergency assistance, or the family incurs and pays for medical expenses which would have been covered by medical assistance if eligibility existed. In making its determination the county agency shall disregard the following from family income:

(1) *all the earned income of each dependent child applying for AFDC if the child is a full-time student and all of the earned income of each dependent child receiving aid to families with dependent children AFDC who is a full-time student or is a part-time student, and who is not a full-time employee. A student is one who is attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as and includes a participant in the job corps program under the job training and partnership act (JTPA). Also, disregard all the earned income derived from the job training and partnership act (JTPA) for a of each dependent child for applying for or receiving AFDC when the income is derived from a program carried out under JTPA, except that disregard of earned income may not exceed six calendar months per calendar year, together with unearned income derived from the job training and partnership act;*

(2) all educational grants and loans;

(3) the first \$90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) thirty dollars plus one-third of each individual's earned income for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; (b) refused without good cause to accept an offer of suitable employment; (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of earned income in this clause shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of subclasses (a) to (d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under this clause, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical

assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) \$174 for each individual age two or older, and \$199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week. The dependent care disregard must be applied after all other disregards under this subdivision have been applied;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance. A review of a payment decision under this clause must be requested within 30 days after receiving the notice of collection of assigned support or within 90 days after receiving the notice if good cause can be shown for not making the request within the 30-day limit;

(7) that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and

(8) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.

All payments made pursuant to a court order for the support of children not living in the assistance unit's household shall be disregarded from the income of the person with the legal obligation to pay support, provided that, if there has been a change in the financial circumstances of the person with the legal obligation to pay support since the support order was entered, the person with the legal obligation to pay support has petitioned for a modification of the support order.

Sec. 22. Minnesota Statutes 1992, section 256.78, is amended to read:

256.78 [ASSISTANCE GRANTS RECONSIDERED.]

All assistance granted under sections 256.72 to 256.87 shall be reconsidered as frequently as may be required by the rules of the state agency. After such further investigation as the county agency may deem necessary or the state agency may require, the amount of assistance may be changed or assistance may be entirely withdrawn if the state or county agency find that the child's circumstances have altered sufficiently to warrant such action. The period of ineligibility for AFDC which results when an assistance unit receives lump sum income must be reduced when:

(1) the assistance unit's standard of need increases due to changes in state law or due to changes in the size or composition of the assistance unit, so that

the amount of aid the assistance unit would have received would have increased had it not become ineligible;

(2) the lump sum income, or a portion of it becomes unavailable to the assistance unit due to expenditures to avoid a life-threatening circumstance, theft, or dissipation which is beyond the family's control by a member of the family who is no longer part of the assistance unit when the lump sum income is not used to meet the needs of members of the assistance unit; or

(3) the assistance unit incurs and pays medical expenses for care and services specified in sections 256B.02, subdivision 8, and 256B.0625.

The county agency may for cause at any time revoke, modify, or suspend any order for assistance previously made. When assistance is thus revoked, modified, or suspended the county agency shall at once report to the state agency such decision together with supporting evidence required by the rules of the state agency. All such decisions shall be subject to appeal and review by the state agency as provided in section 256.045.

Sec. 23. Minnesota Statutes 1992, section 256.983, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT RESPONSIBILITIES.] The commissioner shall establish training programs which shall be attended by all investigative and supervisory staff of the involved county agencies. The commissioner shall also develop the necessary operational guidelines, forms, and reporting mechanisms, which shall be used by the involved county agencies. *An individual's application or redetermination form shall include an authorization for release by the individual to obtain documentation for any information on that form which is involved in a fraud prevention investigation. The authorization for release would be effective until six months after public assistance benefits have ceased.*

Sec. 24. Minnesota Statutes 1992, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies, *insurance records relating to the monetary payment or settlement of claims, and wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs.* Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation or welfare fraud investigation and there is probable cause that a crime has been committed. *This provision applies only to the records of business entities and does not extend to private individuals or their dwellings. Subpoenas may only be served by peace officers as defined by section 626.84, subdivision 1, paragraph (c).*

Sec. 25. Minnesota Statutes 1992, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; and (b), except that payments made pursuant to a court order for the support of children shall be excluded from income in an amount not to exceed the difference between the applicable income standard used in the state's medical assistance program for aged, blind, and disabled persons and the applicable income standard used in the state's medical assistance program for families and children. Exclusion of court-ordered child support payments is subject to the condition that if there has been a change in the financial circumstances of the person with the legal obligation to pay support since the support order was entered, the person with the legal obligation to pay support has petitioned for modification of the support order. For families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, or accounting method, or method of determining effective dates.

Sec. 26. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 32. [CHILD WELFARE TARGETED CASE MANAGEMENT.] Medical assistance, subject to federal approval, covers child welfare targeted case management services as defined in section 256B.094 to children under age 21 who have been assessed and determined in accordance with section 256F.10 to be:

(1) at risk of placement or in placement as defined in section 257.071, subdivision 1;

(2) at risk of maltreatment or experiencing maltreatment as defined in section 626.556, subdivision 10e; or

(3) in need of protection or services as defined in section 260.015, subdivision 2a.

Sec. 27. [256B.094] [CHILD WELFARE TARGETED CASE MANAGEMENT SERVICES.]

Subdivision 1. [DEFINITION.] "Child welfare targeted case management services" means activities that coordinate social and other services designed to help the child under age 21 and the child's family gain access to needed social services, mental health services, habilitative services, educational services, health services, vocational services, recreational services; and related services including, but not limited to, the areas of volunteer services, advocacy, transportation, and legal services. Case management services include developing an individual service plan and assisting the child and the child's family in obtaining needed services through coordination with other agencies and assuring continuity of care. Case managers must assess the delivery, appropriateness, and effectiveness of services on a regular basis.

Subd. 2. [ELIGIBLE SERVICES.] Services eligible for medical assistance reimbursement include:

(1) assessment of the recipient's need for case management services to gain access to medical, social, educational, and other related services;

(2) development, completion, and regular review of a written individual service plan based on the assessment of need for case management services to ensure access to medical, social, educational, and other related services;

(3) routine contact or other communication with the client, the client's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan, regarding the status of the client, the individual service plan, or the goals for the client, exclusive of transportation of the child;

(4) coordinating referrals for, and the provision of, case management services for the client with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery to ensure quality of services;

(6) monitoring and evaluating services on a regular basis to ensure appropriateness and continued need;

(7) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;

(8) traveling to conduct a visit with the client or other relevant person necessary to the development or implementation of the goals of the individual service plan; and

(9) coordinating with the medical assistance facility discharge planner in the 30-day period before the client's discharge into the community. This case management service provided to patients or residents in a medical assistance facility is limited to a maximum of two 30-day periods per calendar year.

Subd. 3. [COORDINATION AND PROVISION OF SERVICES.] (a) In a county where a prepaid medical assistance provider has contracted under section 256B.031 or 256B.69 to provide mental health services, the case management provider shall coordinate with the health maintenance organization to ensure that all necessary mental health services required under the contract are provided to recipients of case management services.

(b) When the case management provider determines that a health maintenance organization is not providing mental health services as required under the contract, the case management provider shall make other arrangements for provision of the covered services.

(c) The case management provider may bill the provider of prepaid health care services for any mental health services provided to a recipient of case management services which the county arranges for or provides and which is included in the prepaid provider's contract. The prepaid provider must reimburse the county, at the provider's standard rate for that service, for any services delivered under this subdivision.

(d) If the county has not obtained prior authorization for this service, the prepaid provider may appeal the payment for services under section 256.045 if the prepaid provider determines the services were not medically necessary.

(e) The case management provider may appeal under section 256.045 a refusal by the prepaid provider to pay the costs of any services provided under this subdivision.

Subd. 4. [CASE MANAGEMENT PROVIDER.] To be eligible to receive medical assistance reimbursement, the case management provider must meet all provider qualification and certification standards under section 256F.10.

Subd. 5. [CASE MANAGER.] To provide case management services, a case manager must be employed by and authorized by the case management provider to provide case management services and meet all requirements under section 256F.10.

Subd. 6. [MEDICAL ASSISTANCE REIMBURSEMENT OF CASE MANAGEMENT SERVICES.] (a) Medical assistance reimbursement for services under this section shall be made on a monthly basis. Payment is based on face-to-face or telephone contacts between the case manager and the client, client's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan regarding the status of the client, the individual service plan, or the goals for the client. These contacts must meet the minimum standards in clauses (1) and (2):

(1) There must be a face to face contact with each client at least once a month except as provided in clause (2).

(2) For a client placed outside of the county of financial responsibility in an excluded time facility under section 256G, subdivision 6, or through the interstate compact on the placement of children, section 257.40, and the placement in either case is more than 60 miles beyond the county boundaries, there must be at least one contact per month and not more than two consecutive months without a face to face contact.

(b) The payment rate is established using time study data on activities of provider service staff and reports required under sections 245.482, 256.01, subdivision 2, clause (17), and 256E.08, subdivision 8. Separate payment rates may be established for different groups of providers to maximize reimbursement as determined by the commissioner. The payment rate will be reviewed annually and revised periodically to be consistent with the most recent time study and other data. Payment for services will be made upon submission of a valid claim and verification of proper documentation described in subdivision 6. Federal administrative revenue earned through the time study shall be distributed according to earnings, to counties or groups of counties which have the same payment rate under this subdivision, and to the group of counties which are not certified providers under section 256F.10. The commissioner shall modify the requirements set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.

Subd. 7. [DOCUMENTATION FOR CASE RECORD AND CLAIM.] (a) The assessment, case finding, and individual service plan shall be maintained in the individual case record under the data practices act, chapter 13. The individual service plan must be reviewed at least annually and updated as necessary. Each individual case record must maintain documentation of

routine, ongoing, contacts and services. Each claim must be supported by written documentation in the individual case record.

(b) Each claim must include:

- (1) the name of the recipient;*
- (2) the date of the service;*
- (3) the name of the provider agency and the person providing service;*
- (4) the nature and extent of services; and*
- (5) the place of the services.*

Subd. 8. [PAYMENT LIMITATION.] Services that are not eligible for payment as a child welfare targeted case management service include but are not limited to:

- (1) assessments prior to opening a case;*
- (2) therapy and treatment services;*
- (3) legal services, including legal advocacy, for the client;*
- (4) information and referral services that are part of a county's community social services plan, that are not provided to an eligible recipient;*
- (5) outreach services including outreach services provided through the community support services program;*
- (6) services that are not documented as required under subdivision 6 and Minnesota Rules, parts 9505.1800 to 9505.1880;*
- (7) services that are otherwise eligible for payment on a separate schedule under rules of the department of human services;*
- (8) services to a client that duplicate the same case management service from another case manager;*
- (9) case management services provided to patients or residents in a medical assistance facility except as described under subdivision 2, clause 9; and*
- (10) for children in foster care, group homes, or residential care, payment for case management services is limited to case management services that focus on permanency planning or return to the family home and that do not duplicate the facility's discharge planning services.*

Sec. 28. Minnesota Statutes 1992, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.]

(a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

- (1) who is receiving assistance under section 256D.05 or 256D.051, or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or*
- (2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess*

assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer

amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(f)(1) An undocumented alien or a nonimmigrant is ineligible for general assistance medical care other than emergency services. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(2) For the five-year period beginning on the date when lawful temporary resident status was granted under United States Code, title 8, section 1255a, an alien granted lawful temporary residence status is ineligible for general assistance medical care other than emergency services. An alien admitted to the United States for purposes of family unity with an alien granted lawful temporary residence status as provided under Public Law Number 101-649, section 301, is ineligible for general assistance medical care other than emergency services for the same ineligibility period as the family member granted lawful temporary residence status.

(3) This subdivision does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

(4) For purposes of paragraph (f), "emergency services" has the meaning given in the Code of Federal Regulations, title 42, section 440.255(b)(1).

Sec. 29. Minnesota Statutes 1992, section 256D.05, is amended by adding a subdivision to read:

Subd. 8. [PERSONS INELIGIBLE.] (a) An undocumented alien or a nonimmigrant is ineligible for work readiness and general assistance benefits. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(b) For the five-year period beginning on the date when lawful temporary resident status was granted under United States Code, title 8, section 1255a, an alien granted lawful temporary residence status is ineligible for work readiness and general assistance benefits. An alien admitted to the United States for purposes of family unity with an alien granted lawful temporary residence status as provided under Public Law Number 101-649, section 301, is ineligible for work readiness and general assistance benefits for the same ineligibility period as the family member granted lawful temporary residence status.

(c) This subdivision does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

Sec. 30. Minnesota Statutes 1992, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of six calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, initial payment will not be made until the registrant attends orientation to the work readiness program. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half-time in an institution of higher education, or a post-secondary program is ineligible for the work readiness program. *Post-secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill-specific technical training that has a course of study of less than three months, that is not paid for using work readiness funds, and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.*

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).

Sec. 31. Minnesota Statutes 1992, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month unless the registrants comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. *The first time in a 12-month period that a recipient's benefits are terminated for failure to comply with work readiness requirements, subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. If a recipient's benefits are terminated more than once in a 12-month period for failure to comply with work readiness requirements, subsequent assistance must not be issued unless a period of three calendar months of benefit ineligibility has expired, the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or the person demonstrates good cause for failing to comply with the requirement. In all instances of termination of work readiness benefits for failure without good cause to comply with work readiness requirements, eligibility for subsequent assistance shall not begin sooner than the beginning of the month following reapplication for benefits.* The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).

Sec. 32. Minnesota Statutes 1992, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [COUNTY AGENCY DUTIES.] (a) The county agency shall provide to registrants a work readiness program. The work readiness program must include:

- (1) orientation to the work readiness program;
- (2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, educational and employment history, and that estimates the length of time it will take the registrant to obtain employment. The employability assessment and development plan must be completed in consultation with the registrant, must assess the registrant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. A copy of the employability development plan must be provided to the registrant;
- (3) referral to available accredited remedial or skills training programs designed to address registrant's barriers to employment;
- (4) referral to available programs including the Minnesota employment and economic development program;
- (5) a job search program, including job seeking skills training; and
- (6) other activities, to the extent of available resources designed by the county agency to prepare the registrant for permanent employment.

~~The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.~~

In order to allow time for job search, the county agency may not require an individual to participate in the work readiness program for more than 32 hours a week. The county agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The county agency shall prepare an annual plan for the operation of its work readiness program. The plan must be submitted to and approved by the commissioner of jobs and training. The plan must include:

- (1) a description of the services to be offered by the county agency;
- (2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;
- (3) a description of the factors that will be taken into account when determining a client's employability development plan;
- (4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program; and
- (5) provisions to ensure that the county agency's employment and training service provider provides each recipient with an orientation, employability assessment, and employability development plan as specified in paragraph

(a), clauses (1) and (2), within 30 days of the recipient's application for assistance.

(c) *The county agency shall develop a work experience program by contracting with nonprofit agencies or public agencies, giving preference to nonprofit agencies, to provide employment for participants who are not employed after three months of participating in the work readiness program. Nonexempt recipients must be referred to the work experience program at the end of their third month of work readiness eligibility and must participate in the program for the final months of work readiness eligibility. The county agency shall give the participant the option to begin the work experience program after 30 days of participating in work readiness. The employment need not provide the participant with training or work experience that will enhance the participant's employability. The employment may include, but is not limited to, housing rehabilitation, agricultural projects, road and building repair and improvement, grooming and beautification of parks and trails, and assistance with food shelf or shelter services. The county agency shall place the participant in employment if it is available through the contract and continue placement unless permanent suitable employment is offered through grant diversion under section 256D.091 or unless work readiness benefits are terminated under subdivision 1a. If no employment positions are available under the county contract, the participant shall continue with the other duties required to maintain eligibility until a position becomes available and the county shall place the participant in the next available position. The county shall monitor the participant to ensure continued compliance with the requirements for eligibility. In order to maintain eligibility, the participant under the contract must work for that number of hours calculated by dividing the assistance units work readiness assistance payment by the state minimum wage per month.*

(d) *An eligible employer may not terminate, lay off, or reduce the regular working hours of an employee for the purpose of hiring an individual with money available under this program. An eligible employer may not hire an individual with money available through this program if any other person is on layoff from the same or a substantially equivalent job or to fill an established vacant position. Written or oral concurrence with respect to job duties of persons placed under this program shall be obtained from the appropriate exclusive bargaining representative.*

(e) *County agencies who, as of January 1, 1993, operated a public sector or nonprofit work experience component under the community investment program provisions of section 268.90, may continue to operate that program in lieu of the work experience provisions of this subdivision for work readiness recipients who lack a work history or a local work reference. A recipient shall not be required to participate in such community investment program employment for more than two months, and participation must take place during the recipient's first three months of work readiness eligibility. Recipients placed in community investment program employment may not participate in the work experience component required under paragraph (c) of this subdivision. The increased funding provided under subdivision 6 for recipients placed in a work experience component is not available to recipients placed in a community investment program placement under this paragraph.*

(f) *Work readiness recipients who are functionally illiterate and participating in literacy training, persons who are attending high school at least half-time, and family general assistance recipients who are required to*

participate in work readiness services under section 256D.05, subdivision 1, clause 15, are exempt from the work experience participation requirements of this subdivision and must instead participate in standard work readiness employment and training services.

Sec. 33. Minnesota Statutes 1992, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [REGISTRANT DUTIES.] In order to receive work readiness assistance, a registrant shall: (1) cooperate with the county agency in all aspects of the work readiness program; (2) accept any suitable employment, including employment offered through the job training partnership act, and other employment and training options; and (3) participate in work readiness activities assigned by the county agency; and (4) *participate in the work experience program under subdivision 2, paragraph (c).* The county agency may terminate assistance to a registrant who fails to ~~cooperate in the work readiness program~~, *perform the duties listed in clauses (1) to (3) and as provided in subdivision 1a.*

Sec. 34. Minnesota Statutes 1992, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [SERVICE COSTS.] The commissioner shall reimburse 92 percent of county agency expenditures for providing work readiness services including direct participation expenses and administrative costs, except as provided in section 256.017. State work readiness funds shall be used only to pay the county agency's and work readiness service provider's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness services. ~~Beginning January 1, 1991, the average reimbursable cost per recipient must not exceed \$283 annually.~~ Beginning July 1, 1991, the average annual reimbursable cost for providing work readiness services to a recipient for whom an individualized employability development plan is not completed must not exceed \$60 for the work readiness services, and \$223 for necessary recipient support services such as transportation or child care needed to participate in work readiness services. If an individualized employability development plan has been completed, the average annual reimbursable cost for providing work readiness services must not exceed \$283, *except that the total annual average reimbursable cost shall not exceed \$804 for recipients who participate in a work experience program under subdivision 2, paragraph (c),* for all services and costs necessary to implement the plan, including the costs of training, employment search assistance, placement, work experience, on-the-job training, other appropriate activities, the administrative and program costs incurred in providing these services, and necessary recipient support services such as tools, clothing, and transportation needed to participate in work readiness services. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 35. Minnesota Statutes 1992, section 256D.35, subdivision 3a, is amended to read:

Subd. 3a. [ASSISTANCE UNIT.] "Assistance unit" means the individual applicant or recipient or an eligible applicant or recipient couple who live together.

Sec. 36. Minnesota Statutes 1992, section 256D.44, subdivision 2, is amended to read:

Subd. 2. [STANDARD OF ASSISTANCE FOR SHELTER.] The state standard of assistance for shelter provides for the recipient's shelter costs. The monthly state standard of assistance for shelter must be determined according to paragraphs (a) to (f).

(a) If the an applicant or recipient does not reside with another person or persons, the state standard of assistance is the actual cost for shelter items or \$124, whichever is less.

(b) If the recipient resides with another person, the state standard of assistance is the actual costs for shelter items or \$93, whichever is less. If an applicant married couple, who live together, does not reside with others, the state standard of assistance is the actual cost for shelter items or \$186, whichever is less.

(c) Actual shelter costs for applicants or recipients are determined by dividing the total monthly shelter costs by the number of persons who share the residence. If an applicant or recipient resides with another person or persons, the state standard of assistance is the actual cost for shelter items or \$93, whichever is less.

(d) If an applicant or recipient married couple, who live together, resides with others, the state standard of assistance is the actual cost for shelter items or \$124, whichever is less.

(e) Actual shelter costs for applicants or recipients, who reside with others, are determined by dividing the total monthly shelter costs by the number of persons who share the residence.

(f) Married couples, living together and receiving MSA on January 1, 1994, and whose eligibility has not been terminated for a full calendar month, are exempt from the standards in paragraphs (b) and (d).

Sec. 37. Minnesota Statutes 1992, section 256D.44, subdivision 3, is amended to read:

Subd. 3. [STANDARD OF ASSISTANCE FOR BASIC NEEDS.] The state standard of assistance for basic needs provides for the applicant's or recipient's maintenance needs, other than actual shelter costs. Except as provided in subdivision 4, the monthly state standard of assistance for basic needs is as follows:

(a) For If an applicant or recipient who does not reside with another person or persons, the state standard of assistance is ~~\$305~~ \$371.

(b) For an individual who resides with another person or persons, the state standard of assistance is ~~\$242~~. If an applicant or recipient married couple who live together, does not reside with others, the state standard of assistance is \$557.

(c) If an applicant or recipient resides with another person or persons, the state standard of assistance is \$286.

(d) If an applicant or recipient married couple who live together, resides with others, the state standard of assistance is \$371.

(e) Married couples, living together and receiving MSA on January 1, 1994, and whose eligibility has not been terminated a full calendar month, are exempt from the standards in paragraphs (b) and (d).

Sec. 38. Minnesota Statutes 1992, section 256F.06, subdivision 2, is amended to read:

Subd. 2. [USES OF GRANTS.] The grant must be used exclusively for family-based services. ~~The grant may not be used as a match for other federal money or to meet the requirements of section 256E.06, subdivision 5.~~

Sec. 39. [256F.10] [CHILD WELFARE TARGETED CASE MANAGEMENT.]

Subdivision 1. [ELIGIBILITY.] Persons under 21 years of age who are eligible to receive medical assistance are eligible for child welfare targeted case management services under section 256B.094 and this section if they have received an assessment and have been determined by the local county agency to be:

(1) at risk of placement or in placement as defined in section 257.071, subdivision 1;

(2) at risk of maltreatment or experiencing maltreatment as defined in section 626.556, subdivision 10e; or

(3) in need of protection or services as defined in section 260.015, subdivision 2a.

Subd. 2. [AVAILABILITY OF SERVICES.] Child welfare targeted case management services are available from providers meeting qualification requirements and the certification standards specified in subdivision 4. Eligible recipients may choose any certified provider of child welfare targeted case management services.

Subd. 3. [VOLUNTARY PROVIDER PARTICIPATION.] Providers may seek certification for medical assistance reimbursement to provide child welfare targeted case management services. The certification process is initiated by submitting a written statement of interest to the commissioner.

Certified providers may elect to discontinue participation by a written notice to the commissioner at least 120 days before the end of the final calendar quarter of participation.

Subd. 4. [PROVIDER QUALIFICATIONS AND CERTIFICATION STANDARDS.] The commissioner must certify each provider before enrolling it as a child welfare targeted case management provider of services under section 256B.094 and this section. The certification process shall examine the provider's ability to meet the qualification requirements and certification standards in this subdivision and other federal and state requirements of this service. A certified child welfare targeted case management provider is an enrolled medical assistance provider who is determined by the commissioner to have all of the following:

(1) the legal authority to provide public welfare under sections 393.01, subdivision 7, and 393.07;

(2) the demonstrated capacity and experience to provide the components of

case management to coordinate and link community resources needed by the eligible population;

(3) administrative capacity and experience in serving the target population for whom it will provide services and in ensuring quality of services under state and federal requirements;

(4) the legal authority to provide complete investigative and protective services under section 626.556, subdivision 10, and child welfare and foster care services under section 393.07, subdivisions 1 and 2;

(5) a financial management system that provides accurate documentation of services and costs under state and federal requirements; and

(6) the capacity to document and maintain individual case records under state and federal requirements.

Subd. 5. [CASE MANAGERS.] Case managers are individuals employed by and authorized by the certified child welfare targeted case management provider to provide case management services under section 256B.094 and this section. A case manager must have:

(1) skills in identifying and assessing a wide range of children's needs;

(2) knowledge of local child welfare and a variety of community resources and effective use of those resources for the benefit of the child; and

(3) a bachelor's degree in social work, psychology, sociology, or a closely related field from an accredited four-year college or university; or a bachelor's degree from an accredited four-year college or university in a field other than social work, psychology, sociology, or a closely related field, plus one year of experience in the delivery of social services to children as a supervised social worker in a public or private social services agency.

Subd. 6. [DISTRIBUTION OF NEW FEDERAL REVENUE.] (a) Except for portion set aside in paragraph (b), the federal funds earned under this section and section 256B.094 by counties shall be paid to each county based on its earnings, and must be used by each county to expand preventive child welfare services. If a county chooses to be a provider of child welfare targeted case management and if that county also joins a local children's mental health collaborative as authorized by the 1993 legislature, then the federal reimbursement received by the county for providing child welfare targeted case management services to the local collaborative's target population shall be transferred by the county to the integrated fund. The federal reimbursement transferred to the integrated fund by the county must not be used for residential care other than respite care described under subdivision 7, paragraph (d).

(b) The commissioner shall set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to:

(1) the costs of developing and implementing this section and sections 256.8711 and 256B.094;

(2) programming the information systems; and

(3) the lost federal revenue for the central office claim directly caused by the implementation of these sections.

Any unexpended funds from the set aside under this paragraph shall be distributed to counties according to paragraph (a).

Subd. 7. [EXPANSION OF SERVICES AND BASE LEVEL OF EXPENDITURES.] (a) Counties must continue the base level of expenditures for preventive child welfare services from either or both of any state, county, or federal funding source, which, in the absence of federal funds earned under this section, would have been available for these services. The commissioner shall review the county expenditures annually using reports required under sections 245.482, 256.01, subdivision 2, clause (17), and 256E.08, subdivision 8, to ensure that the base level of expenditures for preventive child welfare services is continued from sources other than the federal funds earned under this section.

(b) The commissioner may reduce, suspend, or eliminate either or both of a county's obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that one or more of the following conditions apply to that county:

(1) imposition of levy limits that significantly reduce available social service funds;

(2) reduction in the net tax capacity of the taxable property within a county that significantly reduces available social service funds;

(3) reduction in the number of children under age 19 in the county by 25 percent when compared with the number in the base year using the most recent data provided by the state demographer's office; or

(4) termination of the federal revenue earned under this section.

(c) The commissioner may suspend for one year either or both of a county's obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that in the previous year one or more of the following conditions applied to that county:

(1) the total number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or

(2) the average number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county.

(d) For the purposes of this section, child welfare preventive services are those services directed toward a specific child or family that further the goals of section 256F.01 and include assessments, family preservation services, service coordination, community-based treatment, respite care except when it is provided under a medical assistance waiver, home-based services, and other related services. For the purposes of this section, child welfare preventive services shall not include shelter care to address an emergency, residential services except for respite care, child care for the purposes of employment and training, adult services, services other than child welfare targeted case management when they are provided under medical assistance, placement services, or activities not directed toward a specific child or family. Respite care must be planned, routine care to support the continuing residence of the child with its family or long-term primary caretaker and must not be provided to address an emergency.

(e) For the counties beginning to claim federal reimbursement for services under this section and section 256B.094, the base year is the calendar year ending at least two calendar quarters before the first calendar quarter in which the county begins claiming reimbursement. For the purposes of this section, the base level of expenditures is the level of county expenditures in the base year for eligible child welfare preventive services described in this subdivision.

Subd. 8. [PROVIDER RESPONSIBILITIES.] (a) Notwithstanding section 256B.19, subdivision 1, for the purposes of child welfare targeted case management under section 256B.094 and this section, the nonfederal share of costs shall be provided by the provider of child welfare targeted case management from sources other than federal funds or funds used to match other federal funds.

(b) Provider expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds.

(c) The commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of section 256B.094 and this section.

Subd. 9. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments to certified providers for child welfare targeted case management expenditures under section 256B.094 and this section shall only be made of federal earnings from services provided under section 256B.094 and this section.

Subd. 10. [CENTRALIZED DISBURSEMENT OF MEDICAL ASSISTANCE PAYMENTS.] Notwithstanding section 256B.041, county payments for the cost of child welfare targeted case management services shall not be made to the state treasurer. For the purposes of child welfare targeted case management services under section 256B.094 and this section, the centralized disbursement of payments to providers under section 256B.041 consists only of federal earnings from services provided under section 256B.094 and this section.

Sec. 40. Minnesota Statutes 1992, section 256I.01, is amended to read:

256I.01 [CITATION.]

Sections 256I.01 to 256I.06 shall be cited as the "group residential housing rate act."

Sec. 41. Minnesota Statutes 1992, section 256I.02, is amended to read:

256I.02 [PURPOSE.]

The group residential housing rate act establishes a comprehensive system of rates and payments for persons who reside in a group residence and who meet the eligibility criteria of the general assistance program under sections 256D.01 to 256D.21, or the Minnesota supplemental aid program under sections 256D.33 to 256D.54 under section 256I.04, subdivision 1.

Sec. 42. Minnesota Statutes 1992, section 256I.03, subdivision 2, is amended to read:

Subd. 2. [GROUP RESIDENTIAL HOUSING RATE.] "Group residential housing rate" means a monthly rate set for shelter, fuel, food, utilities, household supplies, and other costs necessary to provide room and board for eligible individuals eligible for general assistance under sections 256D.01 to 256D.24 or supplemental aid under sections 256D.33 to 256D.54. Group residential housing rate does not include payments for foster care for children who are not blind, child welfare services, medical care, dental care, hospitalization, nursing care, drugs or medical supplies, or program costs, or other social services except for facilities licensed on August 1, 1984, by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a group residence under general assistance or Minnesota supplemental aid. However, the group residential housing rate for recipients living in residences in section 256I.05, subdivision 2, paragraph (e), clause (2), includes all items covered by that residence's medical assistance per diem rate. The rate is negotiated by the county agency or the state according to the provisions of sections 256I.01 to 256I.06.

Sec. 43. Minnesota Statutes 1992, section 256I.03, subdivision 3, is amended to read:

Subd. 3. [GROUP RESIDENTIAL HOUSING.] "Group residential housing" means a group living situation that provides at a minimum room and board to unrelated persons who meet the eligibility requirements of section 256I.04. This definition includes foster care settings for a single adult. To receive payment for a group residence rate, the residence must be licensed by either the department of health or human services and must comply with applicable laws and rules establishing standards for health, safety, and licensure. Secure crisis shelters for battered women and their children designated by the department of corrections are not group residences under this chapter meet the requirements under section 256I.04, subdivision 2a.

Sec. 44. Minnesota Statutes 1992, section 256I.03, is amended by adding a subdivision to read:

Subd. 5. [MSA EQUIVALENT RATE.] "MSA equivalent rate" means an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

(2) for persons who are not eligible to receive food stamps due to living arrangement, the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

The MSA equivalent rate is to be adjusted on the first day of July each year to reflect changes in any of the component rates under clauses (1) to (3).

Sec. 45. Minnesota Statutes 1992, section 256I.03, is amended by adding a subdivision to read:

Subd. 6. [MEDICAL ASSISTANCE ROOM AND BOARD RATE.] "Medical assistance room and board rate" means an amount equal to the medical assistance income standard for a single individual living alone in the

community less the medical assistance personal needs allowance under section 256B.35. For the purposes of this section, the amount of the group residential housing rate that exceeds the medical assistance room and board rate is considered a remedial care cost. A remedial care cost may be used to meet a spend-down obligation under section 256B.056, subdivision 5. The medical assistance room and board rate is to be adjusted on the first day of January of each year.

Sec. 46. Minnesota Statutes 1992, section 256I.04, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL ELIGIBILITY REQUIREMENTS.] To be eligible for a group residential housing payment, the individual must be eligible for general assistance under sections 256D.01 to 256D.21, or supplemental aid under sections 256D.33 to 256D.54. If the individual is in the group residence due to illness or incapacity, the individual must be in the residence under a plan developed or approved by the county agency. Residence in other group residences must be approved by the county agency. An individual is eligible for and entitled to a group residential housing payment to be made on the individual's behalf if the county agency has approved the individual's residence in a group residential housing setting and the individual meets the requirements in paragraph (a) or (b).

(a) The individual is aged, blind, or is over 18 years of age and disabled as determined under the criteria used by the Title II program of the Social Security Act, and meets the resource restrictions and standards of the supplemental security income program, and the individual's countable income after deducting the exclusions and disregards of the SSI program and the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the county agency's agreement with the provider of group residential housing in which the individual resides.

(b) The individual's resources are less than the standards specified by section 256D.08, and the individual's countable income as determined under sections 256D.01 to 256D.21, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the county agency's agreement with the provider of group residential housing in which the individual resides.

Sec. 47. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 1a. [COUNTY APPROVAL.] A county agency may not approve a group residential housing payment for an individual in any setting with a rate in excess of the MSA equivalent rate for more than 30 days in a calendar year unless the county agency has developed or approved a plan for the individual which specifies that:

(1) the individual has an illness or incapacity which prevents the person from living independently in the community; and

(2) the individual's illness or incapacity requires the services which are available in the group residence.

Sec. 48. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 1b. [OPTIONAL STATE SUPPLEMENTS TO SSI.] Group residential housing payments made on behalf of persons eligible under subdivision 1, paragraph (a), are optional state supplements to the SSI program.

Sec. 49. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 1c. [INTERIM ASSISTANCE.] Group residential housing payments made on behalf of persons eligible under subdivision 1, paragraph (b), are considered interim assistance payments to applicants for the federal SSI program.

Sec. 50. Minnesota Statutes 1992, section 256I.04, subdivision 2, is amended to read:

Subd. 2. [DATE OF ELIGIBILITY.] For a person living in a group residence who is eligible for general assistance under sections 256D.01 to 256D.21, payment shall be made from the date a signed application form is received by the county agency or the date the applicant meets all eligibility factors; whichever is later. For a person living in a group residence who is eligible for supplemental aid under sections 256D.33 to 256D.54, payment shall be made from the first of the month in which an approved application is received by a county agency. An individual who has met the eligibility requirements of subdivision 1, shall have a group residential housing payment made on the individual's behalf from the first day of the month in which a signed application form is received by a county agency, or the first day of the month in which all eligibility factors have been met, whichever is later.

Sec. 51. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 2a. [LICENSE REQUIRED.] A county agency may not enter into an agreement with an establishment to provide group residential housing unless:

(1) the establishment is licensed by the department of health as a hotel and restaurant; a board and lodging establishment; a residential care home; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A; or

(2) the residence is licensed by the department of human services under Minnesota Rules, parts 9555.5050 to 9555.6265, or certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265.

The requirements under clauses (1) and (2) do not apply to establishments exempt from state licensure because they are located on Indian reservations and subject to tribal health and safety requirements.

Sec. 52. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 2b. [GROUP RESIDENTIAL HOUSING AGREEMENTS.] Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider if different from the group residential housing establishment, is licensed by the department of health or the department of human services; the address of the location or locations at

which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; and a statement that the agreement is subject to the provisions of sections 2561.01 to 2561.06 and subject to any changes to those sections.

Sec. 53. Minnesota Statutes 1992, section 2561.04, is amended by adding a subdivision to read:

Subd. 2c. [CRISIS SHELTERS.] Secure crisis shelters for battered women and their children designated by the Minnesota department of corrections are not group residences under this chapter.

Sec. 54. Minnesota Statutes 1992, section 2561.04, subdivision 3, is amended to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF GROUP RESIDENTIAL HOUSING BEDS.] (a) County agencies shall not enter into agreements for new ~~general assistance or Minnesota supplemental aid group residencee~~ residential housing beds except:

(1) ~~for adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265 for group residential housing establishments meeting the requirements of subdivision 2a, clause (2);~~

(2) ~~for facilities~~ group residential housing establishments licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers;

(3) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; ~~or~~

(4) up to 80 beds in a single, specialized facility located in Hennepin county that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication. Planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the housing finance agency under section 462A.05, subdivision 20a, paragraph (b);;

(5) for up to 22 beds in a facility located in Mahnomon county on the White Earth Reservation to provide housing for persons who are 55 years or older. The facility may not be classified as an institution for mental diseases. Planning for the facility must have been initiated before January 30, 1993;

(6) for up to 16 beds in a board and lodging establishment licensed by the commissioner of health, registered under section 157.031, subdivision 2, and located in Anoka county;

(7) for up to 15 beds in a single, specialized facility located in Ramsey county that will provide board and lodging transitional housing for single women and women without children who are in need of chemical dependency treatment, aftercare services, and making the transition to chemical-free self-sufficiency; or

(8) up to 53 beds in two specialized facilities located in Rice county that will provide housing for seniors or the disabled. Planning for the facilities must have been initiated before March 1990.

(b) A county agency may enter into a group residential housing agreement for beds in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from group residential housing payment, or as a result of the downsizing of a group residential housing setting. The transfer of available beds from one county to another can only occur by the agreement of both counties.

(c) Group residential housing beds which become available as a result of downsizing settings which have a license under Minnesota Rules, parts 9535.2000 to 9535.3000, must be permanently removed from the group residential housing census and not replaced.

Sec. 55. Minnesota Statutes 1992, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [~~MONTHLY MAXIMUM RATES.~~] Monthly payments for room and board rates negotiated by a county agency, or set by the department under rules developed pursuant to subdivision 6, on behalf of for a recipient living in a group residence residential housing must be paid at the rates in effect on June 30, 1991, not to exceed \$966.37 for a group residence that entered into an initial group residential housing agreement with a county agency before June 1, 1989 the MSA equivalent rate specified under section 256I.03, subdivision 5, with the exception that a county agency may negotiate a room and board rate that exceeds the MSA equivalent rate by up to \$426.37 for recipients of waiver services under title XIX of the Social Security Act. This exception is subject to the following conditions:

(a) that the secretary of health and human services has not approved a state request to include room and board costs which exceed the MSA equivalent rate in an individual's set of waiver services under title XIX of the Social Security Act; or

(b) that the secretary of health and human services has approved the inclusion of room and board costs which exceed the MSA equivalent rate, but in an amount that is insufficient to cover costs which are included in a group residential housing agreement in effect on June 30, 1994, and the amount of the rate that is above the MSA equivalent rate has been approved by the commissioner. The county agency may at any time negotiate a lower payment room and board rate than the rate that would otherwise be paid under this subdivision.

Sec. 56. Minnesota Statutes 1992, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. [~~LOWER MAXIMUM SUPPLEMENTARY RATES.~~] (a) The maximum monthly rate for a general assistance or Minnesota supplemental aid group residence that enters into an initial group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under subdivision 1. This is effective until June 30, 1993, or until the statewide system authorized under subdivision 6 is established, whichever occurs first.

(b) The maximum monthly rate for a general assistance or Minnesota supplemental aid group residence that is neither licensed by nor registered with the Minnesota department of health, or licensed by the department of human services, to provide programs or services in addition to room and board is an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(2) for persons who are not eligible to receive food stamps due to living arrangements, the maximum allotment authorized by the federal food stamp program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35. In addition to the room and board rate specified in subdivision 1, the county agency may negotiate a payment not to exceed \$426.37 for other services necessary to provide room and board provided by the group residence if the residence is licensed by or registered by the department of health, or licensed by the department of human services to provide services in addition to room and board, and if the recipient of services is not also concurrently receiving services under a home- and community-based waiver under title XIX of the Social Security Act or under Minnesota Rules, parts 9535.2000 to 9535.3000. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. The commissioner shall pursue the feasibility of obtaining the approval of the secretary of health and human services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency, and shall apply for a waiver if it is determined to be cost effective.

Sec. 57. Minnesota Statutes 1992, section 256I.05, is amended by adding a subdivision to read:

Subd. 1c. [RATE INCREASES.] A county agency may not increase the rates negotiated for group residential housing above those in effect on June 30, 1993, except:

(a) A county may increase the rates for group residential housing settings to the MSA equivalent rate for those settings whose current rate is below the MSA equivalent rate.

(b) A county agency may increase the rates for residents in adult foster care whose difficulty of care has increased. The total group residential housing rate for these residents must not exceed the maximum rate specified in subdivisions 1 and 1a. County agencies must not include nor increase group residential housing difficulty of care rates for adults in foster care whose difficulty of care is eligible for funding by home- and community-based waiver programs under title XIX of the Social Security Act.

(c) *The room and board rates will be increased each year when the MSA equivalent rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase, less the amount of the increase in the medical assistance personal needs allowance under section 256B.35.*

(d) *When a group residential housing rate is used to pay for an individual's room and board, or other costs necessary to provide room and board, the rate payable to the residence must continue for up to 18 calendar days per incident that the person is temporarily absent from the residence, not to exceed 60 days in a calendar year, if the absence or absences have received the prior approval of the county agency's social service staff. Prior approval is not required for emergency absences due to crisis, illness, or injury.*

(e) *For facilities meeting substantial change criteria within the prior year. Substantial change criteria exists if the group residential housing establishment experiences a 25 percent increase or decrease in the total number of its beds, if the net cost of capital additions or improvements is in excess of 15 percent of the current market value of the residence, or if the residence physically moves, or changes its licensure, and incurs a resulting increase in operation and property costs.*

(f) *A county agency may increase the overall rates for Minnesota supplemental assistance and general assistance recipients residing in uncertified boarding care homes by 15 percent, capped by a figure equivalent to 65 percent of the medical assistance reimbursement for the nursing home resident class A, as established under Minnesota Rules, parts 9549.0052 and 9549.0058.*

Sec. 58. Minnesota Statutes 1992, section 256I.05, subdivision 8, is amended to read:

Subd. 8. [STATE PARTICIPATION.] For a resident of a group residence who is eligible for general assistance under sections 256D.01 to 256D.21 section 256I.04, subdivision 1, paragraph (b), state participation in the group residential housing rate payment is determined according to section 256D.03, subdivision 2. For a resident of a group residence who is eligible under sections 256D.33 to 256D.54 section 256I.04, subdivision 1, paragraph (a), state participation in the group residential housing rate is determined according to section 256D.36.

Sec. 59. Minnesota Statutes 1992, section 256I.06, is amended to read:

256I.06 [PAYMENT METHODS.]

~~When a group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.01 to 256D.21, the monthly payment may~~ Subdivision 1. [MONTHLY PAYMENTS.] *Monthly payments made on an individual's behalf for group residential housing must be issued as a voucher or vendor payment. When a group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.33 to 256D.54, payments must be made to the recipient. If a recipient is not able to manage the recipient's finances, a representative payee must be appointed.*

Subd. 2. [TIME OF PAYMENT.] *A county agency may make payments to a group residence in advance for an individual whose stay in the group residence is expected to last beyond the calendar month for which the payment is made and who does not expect to receive countable earned income during the month for which the payment is made. Group residential housing*

payments made by a county agency on behalf of an individual who is not expected to remain in the group residence beyond the month for which payment is made must be made subsequent to the individual's departure from the group residence. Group residential housing payments made by a county agency on behalf of an individual with earned income must be made subsequent to receipt of a monthly household report form.

Subd. 3. [FILING OF APPLICATION.] The county agency must immediately provide an application form to any person requesting group residential housing. Application for group residential housing must be in writing on a form prescribed by the commissioner. The county agency must determine an applicant's eligibility for group residential housing as soon as the required verifications are received by the county agency and within 30 days after a signed application is received by the county agency for the aged or blind or within 60 days for the disabled.

Subd. 3a. [VERIFICATION.] The county agency must request, and applicants and recipients must provide and verify, all information necessary to determine initial and continuing eligibility and group residential housing payment amounts. If necessary, the county agency shall assist the applicant or recipient in obtaining verifications. If the applicant or recipient refuses or fails without good cause to provide the information or verification, the county agency shall deny or terminate eligibility for group residential housing payments.

Subd. 3b. [REDETERMINATION OF ELIGIBILITY.] The eligibility of each recipient must be redetermined at least once every 12 months.

Subd. 3c. [REPORTS.] Recipients must report changes in circumstances that affect eligibility or group residential housing payment amounts within ten days of the change. Recipients with earned income must complete a monthly household report form. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for group residential housing payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for group residential housing payment effective the first day of the month the eligibility was terminated.

Subd. 3d. [DETERMINATION OF RATES.] The county in which a group residence is located will determine the amount of group residential housing rate to be paid on behalf of an individual in the group residence regardless of the individual's county of financial responsibility.

Subd. 3e. [AMOUNT OF GROUP RESIDENTIAL HOUSING PAYMENT.] The amount of a group residential housing payment to be made on behalf of an eligible individual is determined by subtracting the individual's countable income under section 2561.04, subdivision 1, for a whole calendar month from the group residential housing charge for that same month. The group residential housing charge is determined by multiplying the group residential housing rate times the period of time the individual was a resident or temporarily absent under section 2561.05, subdivision 3a.

Sec. 60. Minnesota Statutes 1992, section 257.3573, is amended by adding a subdivision to read:

Subd. 3. [REVENUE ENHANCEMENT.] The commissioner shall submit claims for federal reimbursement earned through the activities and services supported through Indian child welfare grants. The commissioner may set aside a portion of the federal funds earned under this subdivision to establish and support a new Indian child welfare position in the department of human services to provide program development. The commissioner shall use any federal revenue not set aside to expand services under section 257.3571. The federal revenue earned under this subdivision is available for these purposes until the funds are expended.

Sec. 61. Minnesota Statutes 1992, section 257.54, is amended to read:

257.54 [HOW PARENT AND CHILD RELATIONSHIP ESTABLISHED.]

The parent and child relationship between a child and

(a) the biological mother may be established by proof of her having given birth to the child, or under sections 257.51 to 257.74 or section 257.75;

(b) the biological father may be established under sections 257.51 to 257.74 or section 257.75; or

(c) an adoptive parent may be established by proof of adoption.

Sec. 62. Minnesota Statutes 1992, section 257.541, is amended to read:

257.541 [CUSTODY AND VISITATION OF CHILDREN BORN OUTSIDE OF MARRIAGE.]

Subdivision 1. [MOTHER'S RIGHT TO CUSTODY.] The biological mother of a child born to a mother who was not married to the child's father neither when the child was born nor when the child was conceived has sole custody of the child until paternity has been established under sections 257.51 to 257.74, or until custody is determined in a separate proceeding under section 518.156.

Subd. 2. [FATHER'S RIGHT TO VISITATION AND CUSTODY.] (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of visitation or custody are determined under sections 518.17 and 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the biological father may petition for rights of visitation or custody in the paternity proceeding or in a separate proceeding under section 518.156.

Subd. 3. [FATHER'S RIGHT TO VISITATION AND CUSTODY; RECOGNITION OF PATERNITY.] *If paternity has been recognized under section 257.75, the father may petition for rights of visitation or custody in an independent action under section 518.156. The proceeding must be treated as an initial determination of custody under section 518.17. The provisions of chapter 518 apply with respect to the granting of custody and visitation. These proceedings may not be combined with any proceeding under chapter 518B.*

Sec. 63. Minnesota Statutes 1992, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child; or

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this clause to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted-;

(f) Evidence of statistical probability of paternity based on blood testing establishes that the likelihood that ~~the man~~ he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;

(g) *He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision; or*

(h) *He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75.*

Sec. 64. Minnesota Statutes 1992, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, ~~clause paragraph~~ (d), (e), ~~or~~ (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, ~~clause paragraph~~ (e) or (g), only if the action is brought within three years after the date of the execution of the declaration or recognition of parentage; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

Sec. 65. Minnesota Statutes 1992, section 257.73, subdivision 1, is amended to read:

Subdivision 1. Upon compliance with the provisions of section 257.55, subdivision 1, ~~clause paragraph~~ (e), section 257.75, or upon order of a court of this state or upon request of a court of another state, the local registrar of vital statistics shall prepare a new certificate of birth consistent with the acknowledgment or the findings of the court and shall substitute the new certificate for the original certificate of birth.

Sec. 66. Minnesota Statutes 1992, section 257.74, subdivision 1, is amended to read:

Subdivision 1. If a mother relinquishes or proposes to relinquish for adoption a child who has

(a) a presumed father under section 257.55, subdivision 1,

(b) a father whose relationship to the child has been determined by a court or established under section 257.75, or

(c) a father as to whom the child is a legitimate child under prior law of this state or under the law of another jurisdiction, the father shall be given notice of the adoption proceeding as provided in section 259.26.

Sec. 67. [257.75] [RECOGNITION OF PARENTAGE.]

Subdivision 1. [RECOGNITION BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father nor to any other man when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public and filed with the state registrar of vital statistics, state and acknowledge under oath that they are the biological parents of the child and wish to be recognized as the biological parents. The recognition must be in the form prepared by the commissioner of human services under subdivision 5.

Subd. 2. [REVOCAION OF RECOGNITION.] A recognition may be revoked in a writing signed by the mother or father before a notary public and filed with the state registrar of vital statistics within 30 days after the recognition is executed. Upon receipt of a revocation of the recognition of parentage, the state registrar of vital statistics shall forward a copy of the revocation to the nonrevoking parent.

Subd. 3. [EFFECT OF RECOGNITION.] Subject to subdivision 2 and section 257.55, subdivision 1, paragraph (g) or (h), the recognition has the force and effect of a judgment or order determining the existence of the parent and child relationship under section 257.66. If the conditions in section 257.55, subdivision 1, paragraph (g) or (h), exist, the recognition creates only a presumption of paternity for purposes of sections 257.51 to 257.74. Until an order is entered granting custody to another, the mother has sole custody. The recognition is:

(1) a basis for bringing an action to award custody or visitation rights to either parent, establishing a child support obligation, ordering a contribution by a parent under section 256.87, or ordering a contribution to the reasonable expenses of the mother's pregnancy and confinement, as provided under section 257.66, subdivision 3;

(2) determinative for all other purposes related to the existence of the parent and child relationship; and

(3) entitled to full faith and credit in other jurisdictions.

Subd. 4. [ACTION TO VACATE RECOGNITION.] An action to vacate a recognition of paternity may be brought by the mother, father, or child. A mother or father must bring the action within one year of the execution of the recognition or within six months after discovery of evidence in support of the action, whichever is later. A child must bring an action to vacate within six months of discovery of evidence in support of the action or within one year of reaching the age of majority, whichever is later. If the court finds a prima facie basis for vacating the recognition, the court shall order the child, mother, and father to submit to blood tests. If the court issues an order for the taking of blood tests, the court shall require the party seeking to vacate the recognition to make advance payment for the costs of the blood tests. If the party fails to pay for the costs of the blood tests, the court shall dismiss the action to vacate with prejudice. The court may also order the party seeking to vacate the recognition to pay the other party's reasonable attorney fees, costs, and disbursements. If the results of the blood tests establish that the man who executed the recognition is not the father, the court shall vacate the recognition. The court shall terminate the obligation of a party to pay ongoing child support based on the recognition. A modification of child support based on a recognition may be made retroactive with respect to any period during which the moving party has pending a motion to vacate the recognition but only from the date of service of notice of the motion on the responding party.

Subd. 5. [RECOGNITION FORM.] The commissioner of human services shall prepare a form for the recognition of parentage under this section. In preparing the form, the commissioner shall consult with the individuals specified in subdivision 6. The recognition form must be drafted so that the force and effect of the recognition and the benefits and responsibilities of establishing paternity are clear and understandable. The form must include a notice regarding the finality of a recognition and the revocation procedure under subdivision 2. The form must include a provision for each parent to

verify that the parent has read or viewed the educational materials prepared by the commissioner of human services describing the recognition of paternity. Each parent must receive a copy of the recognition.

Subd. 6. [PATERNITY EDUCATIONAL MATERIALS:] The commissioner of human services shall prepare educational materials for new and prospective parents that describe the benefits and effects of establishing paternity. The materials must include a description and comparison of the procedures for establishment of paternity through a recognition of parentage under this section and an adjudication of paternity under sections 257.51 to 257.74. The commissioner shall consider the use of innovative audio or visual approaches to the presentation of the materials to facilitate understanding and presentation. In preparing the materials, the commissioner shall consult with child advocates and support workers, battered women's advocates, social service providers, educators, attorneys, hospital representatives, and people who work with parents in making decisions related to paternity. The commissioner shall consult with representatives of communities of color. On and after July 1, 1994, the commissioner shall make the materials available without cost to hospitals, requesting agencies, and other persons for distribution to new parents.

Subd. 7. [HOSPITAL DISTRIBUTION OF EDUCATIONAL MATERIALS; RECOGNITION FORM.] Hospitals that provide obstetric services shall distribute the educational materials and recognition of parentage forms prepared by the commissioner of human services to new parents and shall assist parents in understanding the recognition of parentage form. On and after July 1, 1994, hospitals may not distribute the declaration of parentage forms.

Subd. 8. [NOTICE.] If the state registrar of vital statistics receives more than one recognition of parentage for the same child, the registrar shall notify both signatories on each recognition that the recognition is no longer final and that each man has only a presumption of paternity under section 257.55, subdivision 1.

Sec. 68. Minnesota Statutes 1992, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer

the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 or 609.821, or both, and is subject to both the criminal and civil penalties provided under ~~that section~~ those sections:

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses, *possesses*, or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law, rules, or regulations; or

(4) Buys or sells food stamp coupons, authorization to purchase cards or other assistance transaction devices for cash or consideration other than eligible food.

(d) A peace officer or welfare fraud investigator may confiscate food stamps, authorization to purchase cards, or other assistance transaction devices found in the possession of any person who is neither a recipient of the food stamp program nor otherwise authorized to possess and use such materials. Confiscated property shall be disposed of as the commissioner may direct and consistent with state and federal food stamp law. The confiscated property must be retained for a period of not less than 30 days to allow any affected person to appeal the confiscation under section 256.045.

Sec. 69. Minnesota Statutes 1992, section 518.156, subdivision 1, is amended to read:

Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) by a parent

(1) by filing a petition for dissolution or legal separation; or

(2) where a decree of dissolution or legal separation has been entered or where none is sought, or when paternity has been recognized under section 257.75, by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered; or

(b) by a person other than a parent, where a decree of dissolution or legal separation has been entered or where none is sought by filing a petition or motion seeking custody or visitation of the child in the county where the child

is permanently resident or where the child is found or where an earlier order for custody of the child has been entered. A person seeking visitation pursuant to this paragraph must qualify under one of the provisions of section 257.022.

Sec. 70, Minnesota Statutes 1992, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4,000.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions

*Standard
Deductions apply-
use of tax tables
recommended

- (v) Union Dues
- (vi) Cost of Dependent Health
Insurance Coverage
- (vii) Cost of Individual or Group
Health/Hospitalization
Coverage or an Amount for
Actual Medical Expenses
- (viii) A Child Support or Maintenance
Order that is Currently
Being Paid.

“Net income” does not include:

(1) the income of the obligor’s spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor’s living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party’s compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph (a), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c); and

(7) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40.

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

(d) Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(e) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

(f) Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(g) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(h) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply

whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

Sec. 71. Minnesota Statutes 1992, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40; or (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair.

The terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the

motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 72. Minnesota Statutes 1992, section 609.821, subdivision 1, is amended to read:

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

(a) "Financial transaction card" means any instrument or device, whether known as a credit card, credit plate, charge plate, courtesy card, bank services card, banking card, check guarantee card, debit card, *electronic benefit system (EBS) card*, *electronic benefit transfer (EBT) card*, *assistance transaction card*, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining credit, money, goods, services, *public assistance benefits*, or anything else of value, and includes the account or identification number or symbol of a financial transaction card.

(b) "Cardholder" means a person in whose name a card is issued.

(c) "Issuer" means a person or firm, or governmental agency, or a duly authorized agent or designee, that issues a financial transaction card.

(d) "Property" includes money, goods, services, *public assistance benefit*, or anything else of value.

(e) "*Public assistance benefit*" means any money, goods or services, or anything else of value, issued under chapters 256, 256B, 256D, or section 393.07, subdivision 10.

Sec. 73. Minnesota Statutes 1992, section 609.821, subdivision 2, is amended to read:

Subd. 2. [VIOLATIONS; PENALTIES.] A person who does any of the following commits financial transaction card fraud:

(1) without the consent of the cardholder, and knowing that the cardholder has not given consent, uses or attempts to use a card to obtain the property of another, or a public assistance benefit issued for the use of another;

(2) uses or attempts to use a card knowing it to be forged, false, fictitious, or obtained in violation of clause (6);

(3) sells or transfers a card knowing that the cardholder and issuer have not authorized the person to whom the card is sold or transferred to use the card, or that the card is forged, false, fictitious, or was obtained in violation of clause (6);

(4) without a legitimate business purpose, and without the consent of the cardholders, receives or possesses, with intent to use, or with intent to sell or transfer in violation of clause (3), two or more cards issued in the name of another, or two or more cards knowing the cards to be forged, false, fictitious, or obtained in violation of clause (6);

(5) being authorized by an issuer to furnish money, goods, services, or anything else of value, knowingly and with an intent to defraud the issuer or the cardholder:

(i) furnishes money, goods, services, or anything else of value upon presentation of a financial transaction card knowing it to be forged, expired, or revoked, or knowing that it is presented by a person without authority to use the card; or

(ii) represents in writing to the issuer that the person has furnished money, goods, services, or anything else of value which has not in fact been furnished;

(6) upon applying for a financial transaction card to an issuer, or for a public assistance benefit which is distributed by means of a financial transaction card:

(i) knowingly gives a false name or occupation; or

(ii) knowingly and substantially overvalues assets or substantially undervalues indebtedness for the purpose of inducing the issuer to issue a financial transaction card; or

(iii) knowingly makes a false statement or representation for the purpose of inducing an issuer to issue a financial transaction card used to obtain a public assistance benefit;

(7) with intent to defraud, falsely notifies the issuer or any other person of a theft, loss, disappearance, or nonreceipt of a financial transaction card; or

(8) without the consent of the cardholder and knowing that the cardholder has not given consent, falsely alters, makes, or signs any written document pertaining to a card transaction to obtain or attempt to obtain the property of another.

Sec. 74. Minnesota Statutes 1992, section 626.559, is amended by adding a subdivision to read:

Subd. 5. [TRAINING REVENUE.] The commissioner of human services shall submit claims for federal reimbursement earned through the activities and services supported through department of human services child protection or child welfare training funds. Federal revenue earned must be used to

improve and expand training services by the department. The department expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds. The federal revenue earned under this subdivision is available for these purposes until the funds are expended.

Sec. 75. [WORK EXPERIENCE PROGRAM.]

The commissioner of human services shall coordinate efforts with counties to develop recommendations for the 1994 legislature to revise the work experience component of the work readiness program so it more closely parallels the structure of an actual job, including an hourly wage and a pay check and report to the legislature by January 1, 1994.

Sec. 76. [REPEALER.]

(a) Minnesota Statutes 1992, sections 256.985; 2561.03, subdivision 4; 2561.05, subdivisions 4 and 9; and 2561.051 are repealed.

(b) Minnesota Statutes 1992, section 2561.05, subdivision 10, is repealed.

Sec. 77. [EFFECTIVE DATE.]

Sections 72 and 73 are effective for crimes committed on or after July 1, 1993. Section 7 is effective October 1, 1993.

Sections 8 to 18, 23, 24, 72, and 73 are effective October 1, 1993.

Sections 1 and 61 to 67 and 69 are effective January 1, 1994, except that section 67, subdivisions 5 to 7, are effective the day following final enactment.

Implementation of section 45 is contingent on approval by the secretary of health and human services of the definition and procedure contained in that section. Sections 2, 3, 28, and 40 to 44, and 46 to 59 are effective July 1, 1994, contingent upon federal recognition that group residential housing payments qualify as optional state supplement payments to the SSI program under title XVI of the Social Security Act and confer categorical eligibility for medical assistance under the Minnesota state plan. Sections 35 to 37 are effective January 1, 1994. Upon federal approval of payment under the home- and community-based waiver provisions for room and board costs in addition to the MSA equivalent rate, the commissioner shall transfer anticipated group residential housing expenditures to the medical assistance account to meet the nonfederal share requirement of funding these additional costs as home- and community-based services. Any transfer of group residential housing funds to the medical assistance account shall correspond to the increase in the waiver rates resulting from medical assistance payment for unusual room and board costs in excess of the MSA equivalent rate.

ARTICLE 8

COMMUNITY MENTAL HEALTH AND

REGIONAL TREATMENT CENTERS ADMINISTRATION

Section 1. [245.037] [LEASES FOR REGIONAL TREATMENT CENTER AND STATE NURSING HOME PROPERTY.]

Notwithstanding any law to the contrary, money collected as rent under section 16B.24, subdivision 5, for state property at any of the regional treatment centers or state nursing home facilities administered by the

commissioner of human services is dedicated to the regional treatment center or state nursing home from which it is generated. Any balance remaining at the end of the fiscal year shall not cancel and is available until expended.

Sec. 2. Minnesota Statutes 1992, section 245.464, subdivision 1, is amended to read:

Subdivision 1. [COORDINATION.] The commissioner shall supervise the development and coordination of locally available adult mental health services by the county boards in a manner consistent with sections 245.461 to 245.486. The commissioner shall coordinate locally available services with those services available from the regional treatment center serving the area *including state-operated services offered at sites outside of the regional treatment centers.* The commissioner shall review the adult mental health component of the community social services plan developed by county boards as specified in section 245.463 and provide technical assistance to county boards in developing and maintaining locally available mental health services. The commissioner shall monitor the county board's progress in developing its full system capacity and quality through ongoing review of the county board's adult mental health component of the community social services plan and other information as required by sections 245.461 to 245.486.

Sec. 3. Minnesota Statutes 1992, section 245.466, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board in each county is responsible for using all available resources to develop and coordinate a system of locally available and affordable adult mental health services. The county board may provide some or all of the mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center under section 246.57 *or with any state facility or program as defined in section 246.50, subdivision 3,* to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full implementation of sections 245.461 to 245.486 during the period July 1, 1987, to January 1, 1990. County boards must develop fully each of the treatment services and management activities prescribed by sections 245.461 to 245.486 by January 1, 1990, according to the priorities established in section 245.464 and the adult mental health component of the community social services plan approved by the commissioner under section 245.478.

Sec. 4. Minnesota Statutes 1992, section 245.474, is amended to read:

245.474 [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to adults with mental illness throughout the state who need this level of care. *Inpatient services may be provided either on the regional treatment center campus or at any state facility or program as defined in section 246.50, subdivision 3.* Services must be as close to the patient's county of residence as possible. Regional treatment centers are responsible to:

- (1) provide acute care inpatient hospitalization;
- (2) stabilize the medical and mental health condition of the adult requiring the admission;
- (3) improve functioning to the point where discharge to community-based mental health services is possible;
- (4) strengthen family and community support; and
- (5) facilitate appropriate discharge and referrals for follow-up mental health care in the community.

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all adults with mental illness who are served by regional treatment centers *or at any state facility or program as defined in section 246.50, subdivision 3*, by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system and the types of state-operated services needed. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

Subd. 3. [TRANSITION TO COMMUNITY.] Regional treatment centers must plan for and assist clients in making a transition from regional treatment centers *and other inpatient facilities or programs, as defined in section 246.50, subdivision 3*, to other community-based services. In coordination with the client's case manager, if any, regional treatment centers must also arrange for appropriate follow-up care in the community during the transition period. Before a client is discharged, the regional treatment center must notify the client's case manager, so that the case manager can monitor and coordinate the transition and arrangements for the client's appropriate follow-up care in the community.

Sec. 5. Minnesota Statutes 1992, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] *The state coordinating council consists of the commissioners or designees of commissioners of the departments of human services, health, education, state planning, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner, and the director or a designee of the director of the office of strategic and long range planning. The members of the council shall annually alternate chairing the council beginning with the commissioner of human services and proceeding in the order as listed in this subdivision. The council shall meet at least quarterly to:*

- (1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) until February 15, 1992, prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.

This report shall be submitted to the legislature and the state mental health advisory council annually as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:

(1) the number of children in each department's system who require mental health services;

(2) the number of children in each system who receive mental health services;

(3) how mental health services for children are funded within each system;

(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and

(5) recommendations for the provision of early screening and identification of mental illness in each system perform the duties required under sections 245.494 to 245.496.

Sec. 6. [245.491] [CITATION; DECLARATION OF PURPOSE.]

Subdivision 1. [CITATION.] Sections 245.491 to 245.496 may be cited as "the children's mental health integrated fund."

Subd. 2. [PURPOSE.] The legislature finds that children with emotional or behavioral disturbances or who are at risk of suffering such disturbances often require services from multiple service systems including mental health, social services, education, corrections, juvenile court, health, and jobs and training. In order to better meet the needs of these children, it is the intent of the legislature to establish an integrated children's mental health service system that:

(1) allows local service decision makers to draw funding from a single local source so that funds follow clients and eliminates the need to match clients, funds, services, and provider eligibilities;

(2) creates a local pool of state, local, and private funds to procure a greater medical assistance federal financial participation;

(3) improves the efficiency of use of existing resources;

(4) minimizes or eliminates the incentives for cost and risk shifting; and

(5) increases the incentives for earlier identification and intervention.

The children's mental health integrated fund established under sections 245.491 to 245.496 must be used to develop and support this integrated mental health service system. In developing this integrated service system, it is not the intent of the legislature to limit any rights available to children and their families through existing federal and state laws.

Sec. 7. [245.492] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 245.491 to 245.496.

Subd. 2. [BASE LEVEL FUNDING.] "Base level funding" means funding received from state, federal, or local sources and expended across the local system of care in fiscal year 1993 for children's mental health services or for special education services for children with emotional or behavioral disturbances. In subsequent years, base level funding may be adjusted to reflect decreases in the numbers of children in the target population.

Subd. 3. [CHILDREN WITH EMOTIONAL OR BEHAVIORAL DISTURBANCES.] "Children with emotional or behavioral disturbances" includes children with emotional disturbances as defined in section 245.4871, subdivision 15, and children with emotional or behavioral disorders as defined in Minnesota Rules, part 3525.1329, subpart 1.

Subd. 4. [FAMILY.] "Family" has the definition provided in section 245.4871, subdivision 16.

Subd. 4a. [FAMILY COMMUNITY SUPPORT SERVICES.] "Family community support services" has the definition provided in section 245.4871, subdivision 17.

Subd. 5. [INITIAL TARGET POPULATION.] "Initial target population" means a population of children that the local children's mental health collaborative agrees to serve in the start-up phase and who meet the criteria for the target population. The initial target population may be less than the target population.

Subd. 6. [INTEGRATED FUND.] "Integrated fund" is a pool of both public and private local, state, and federal resources, consolidated at the local level, to accomplish locally agreed upon service goals for the target population. The fund is used to help the local children's mental health collaborative to serve the mental health needs of children in the target population by allowing the local children's mental health collaboratives to develop and implement an integrated service system.

Subd. 7. [INTEGRATED SERVICE SYSTEM.] "Integrated service system" means a coordinated set of procedures established by the local children's mental health collaborative for coordinating services and actions across categorical systems and agencies that results in:

(1) integrated funding;

(2) outreach, early identification, and intervention across systems;

(3) strong collaboration between parents and professionals in identifying children in the target population, facilitating access to the integrated system, and coordinating care and services for these children;

(4) a coordinated assessment process across systems that determines which children need multiagency care coordination and wraparound services;

(5) multiagency plan of care; and

(6) wraparound services.

Services provided by the integrated service system must meet the requirements set out in sections 245.487 to 245.4887. Children served by the integrated service system must be economically and culturally representative of children in the service delivery area.

Subd. 8. [INTEGRATED FUND TASK FORCE.] “The integrated fund task force” means the statewide task force established in Laws 1991, chapter 292, article 6, section 57.

Subd. 9. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] “Interagency early intervention committee” refers to the committee established under section 120.17, subdivision 12.

Subd. 10. [LOCAL CHILDREN’S ADVISORY COUNCIL.] “Local children’s advisory council” refers to the council established under section 245.4875, subdivision 5.

Subd. 11. [LOCAL CHILDREN’S MENTAL HEALTH COLLABORATIVE.] “Local children’s mental health collaborative” means an entity formed by the contractual agreement of representatives of the local system of care including mental health services, social services, correctional services, education services, health services, and vocational services for the purpose of developing and governing an integrated service system. A local coordinating council or an interagency early intervention committee may serve as a local children’s mental health collaborative if its representatives are capable of carrying out the duties of the local children’s mental health collaborative set out in sections 245.491 to 245.496. Where a local coordinating council is not the local children’s mental health collaborative, the local children’s mental health collaborative must work closely with the local coordinating council in designing the integrated service system.

Subd. 12. [LOCAL COORDINATING COUNCIL.] “Local coordinating council” refers to the council established under section 245.4875, subdivision 6.

Subd. 13. [LOCAL SYSTEM OF CARE.] “Local system of care” has the definition provided in section 245.4871, subdivision 24.

Subd. 14. [MENTAL HEALTH SERVICES.] “Mental health services” has the definition provided in section 245.4871, subdivision 28.

Subd. 15. [MULTIAGENCY PLAN OF CARE.] “Multiagency plan of care” means a written plan of intervention and integrated services developed by a multiagency team in conjunction with the child and family based on their unique strengths and needs as determined by a multiagency assessment. The plan must outline measurable client outcomes and specific services needed to attain these outcomes, the agencies responsible for providing the specified services, funding responsibilities, timelines, the judicial or administrative procedures needed to implement the plan of care, the agencies responsible for initiating these procedures, and designate one person with lead responsibility for overseeing implementation of the plan.

Subd. 16. [RESPITE CARE.] "Respite care" is planned routine care to support the continued residence of a child with emotional or behavioral disturbance with the child's family or long-term primary caretaker.

Subd. 17. [SERVICE DELIVERY AREA.] "Service delivery area" means the geographic area to be served by the local children's mental health collaborative and must include at a minimum a part of a county and school district or a special education cooperative.

Subd. 18. [START-UP FUNDS.] "Start-up funds" means the funds available to assist a local children's mental health collaborative in planning and developing the integrated service system for children in the target population and in setting up a local integrated fund.

Subd. 19. [STATE COORDINATING COUNCIL.] "State coordinating council" means the council established under section 245.4873, subdivision 2.

Subd. 20. [TARGET POPULATION.] "Target population" means children up to age 18 with an emotional or behavioral disturbance or who are at risk of suffering an emotional or behavioral disturbance as evidenced by a behavior or condition that affects the child's ability to function in a primary aspect of daily living including personal relations, living arrangements, work, school, and recreation and a child who can benefit from:

(1) multiagency service coordination and wraparound services; or

(2) informal coordination of traditional mental health services provided on a temporary basis.

Children between the ages of 18 and 21 who meet this criteria may be included in the target population at the option of the local children's mental health collaborative.

Subd. 20a. [THERAPEUTIC SUPPORT OF FOSTER CARE.] "Therapeutic support of foster care" has the definition provided in section 245.4871, subdivision 34.

Subd. 21. [WRAPAROUND SERVICES.] "Wraparound services" are alternative, flexible, coordinated, and highly individualized services that are based on a multiagency plan of care. These services are designed to build on the strengths and respond to the needs identified in the child's multiagency assessment and to improve the child's ability to function in the home, school, and community. Wraparound services may include, but are not limited to, respite services, services that assist the child or family in enrolling in or participating in recreational activities, assistance in purchasing otherwise unavailable items or services important to maintain a specific child in the family, and services that assist the child to participate in more traditional services and programs.

Sec. 8. [245.493] [LOCAL LEVEL COORDINATION.]

Subdivision 1. [REQUIREMENTS TO QUALIFY AS A LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVE.] In order to qualify as a local children's mental health collaborative and be eligible to receive start-up funds, the representatives of the local system of care, or at a minimum one county, one school district or special education cooperative, and one mental health entity must agree to the following:

- (1) to establish a local children's mental health collaborative and develop an integrated service system;
- (2) to meet the duties described in subdivision 2; and
- (3) to commit resources to providing services through the local children's mental health collaborative.

Subd. 2. [GENERAL DUTIES OF THE LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVES.] Each local children's mental health collaborative must:

(1) identify a service delivery area and an initial target population within that service delivery area. The initial target population must be economically and culturally representative of children in the service delivery area to be served by the local children's mental health collaborative. The size of the initial target population must also be economically viable for the service delivery area;

(2) develop and communicate to agencies in the local system of care eligibility criteria for services received through the local children's mental health collaborative and a process for determining eligibility. The process shall place strong emphasis on outreach to families, respecting the family role in identifying children in need, and valuing families as partners;

(3) seek to maximize federal revenues available to serve children in the target population by designating local expenditures for mental health services that can be matched with federal dollars and by designing services to meet the requirements for state and federal reimbursement;

(4) in consultation with the local children's advisory council and the local coordinating council, if it is not the local children's mental health collaborative, design, develop, and ensure implementation of an integrated service system and develop interagency agreements necessary to implement the system;

(5) expand membership to include representatives of other services in the local system of care;

(6) develop mechanisms for integrating funds to either expand the initial target population or expand services to the target population;

(7) create or designate a management structure for fiscal and clinical responsibility, data collection, outcome evaluation, and information flow;

(8) develop mechanisms for quality assurance, outcome management, and appeals;

(9) involve the family, and where appropriate the individual child, in developing multiagency service plans to the extent required in sections 120.17, subdivision 3a; 245.4871, subdivision 21; 245.4881, subdivision 4; 253B.03, subdivision 7; 257.071, subdivision 1; and 260.191, subdivision 1e;

(10) meet all standards and provide all mental health services as required in sections 245.487 to 245.4888 and ensure that the services provided are culturally appropriate;

(11) spend funds generated by the local children's mental health collaborative as required in sections 245.491 to 245.496;

(12) maintain base level funding for services for children with emotional or behavioral disturbances;

(13) explore methods and recommend changes needed at the state level to reduce duplication and promote coordination of services including the use of uniform forms for reporting, billing, and planning of services;

(14) provide documentation and meet reporting requirements requested by the state coordinating council and state agencies;

(15) negotiate contracts with state agencies and other funding sources for receipt of funds to further the goals of the local children's mental health collaborative;

(16) in designing and implementing the integrated service system, encourage public-private partnerships to increase efficiency, reduce redundancy, and promote quality of care; and

(17) if the county participant of the local children's mental health collaborative is also a provider of child welfare targeted case management as authorized by the 1993 legislature, then federal reimbursement received by the county for child welfare targeted case management provided to the target population must be directed to the integrated fund.

Sec. 9. [245.4932] [PROVIDER RESPONSIBILITIES; PAYMENTS; REVENUE ENHANCEMENT.]

Subdivision 1. [PROVIDER RESPONSIBILITIES.] *The children's mental health collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:*

(1) *the collaborative shall designate a lead county or other qualified entity as the fiscal agency for reporting, claiming, and receiving payments;*

(2) *the collaborative may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement;*

(3) *the collaborative must continue the base level of expenditures for services for children with emotional or behavioral disturbances and their families from any state, county, federal or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services. The base year for purposes of this subdivision shall be the accounting period closest to state fiscal year 1993;*

(4) *the collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the contract;*

(5) *notwithstanding section 256B.19, subdivision 1, when a local children's mental health collaborative seeks reimbursement under section 256B.0625, subdivisions 32, 33, and 34, for family community support services, therapeutic support of foster care, and wraparound services and other services not eligible as of January 1, 1993, for reimbursement under medical assistance, the nonfederal share of costs shall be provided by the collaborative or by the*

service provider from sources other than federal funds or funds used to match other federal funds;

(6) the commissioner shall recover from the collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the collaborative's actions or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample;

(7) provider expenditures eligible for federal reimbursement under sections 245.493 to 245.496 must not be made from federal funds, and or funds used to match other federal funds; and

(8) the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the requirements of sections 245.493 to 245.496.

Subd. 2. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments under sections 245.493 to 245.496 to providers for family community services, therapeutic support of foster care, wraparound service expenditures, and expenditures for other services not eligible for reimbursement under medical assistance shall only be made of federal earnings from services provided under sections 245.493 to 245.496.

Subd. 3. [CENTRALIZED DISBURSEMENT OF MEDICAL ASSISTANCE PAYMENTS.] Notwithstanding section 256B.041, county payments for the cost of family community services, therapeutic support of foster care, wraparound services, and other services not eligible on January 1, 1993, for reimbursement under medical assistance shall not be made to the state treasurer. For the purposes of family community services, therapeutic support of foster care, and wraparound services under sections 245.493 to 245.496, the centralized disbursement of payments to providers under section 256B.041 consists only of federal earnings from services provided under sections 245.493 to 245.496.

Sec. 10. [245.494] [STATE LEVEL COORDINATION.]

Subdivision 1. [STATE COORDINATING COUNCIL.] The state coordinating council, in consultation with the integrated fund task force, shall:

(1) assist local children's mental health collaboratives in meeting the requirements of sections 245.491 to 245.496, by seeking consultation and technical assistance from national experts and coordinating presentations and assistance from these experts to local children's mental health collaboratives;

(2) assist local children's mental health collaboratives in identifying an economically viable initial target population;

(3) develop methods to reduce duplication and promote coordinated services including uniform forms for reporting, billing, and planning of services;

(4) by September 1, 1994, develop a model multiagency plan of care that can be used by local children's mental health collaboratives in place of an individual education plan, individual family community support plan, individual family support plan, and an individual treatment plan;

(5) assist in the implementation and operation of local children's mental health collaboratives by facilitating the integration of funds, coordination of

services, and measurement of results, and by providing other assistance as needed;

(6) by September 1, 1993, develop a procedure for awarding start-up funds. Development of this procedure shall be exempt from chapter 14;

(7) develop procedures and provide technical assistance to allow local children's mental health collaboratives to integrate resources for children's mental health services with other resources available to serve children in the target population in order to maximize federal participation and improve efficiency of funding;

(8) ensure that local children's mental health collaboratives and the services received through these collaboratives meet the requirements set out in sections 245.491 to 245.496;

(9) identify base level funding from state and federal sources across systems and work with local children's mental health collaboratives to determine local base level funding;

(10) develop mechanisms to ensure that start-up funds and any additional federal funds generated by local children's mental health collaboratives are spent as required in sections 245.491 to 245.496;

(11) explore ways to access additional federal funds and enhance revenues available to address the needs of the target population;

(12) develop a mechanism for identifying the state share of funding for services to children in the target population and for making these funds available on a per capita basis for services provided through the local children's mental health collaborative to children in the target population. Each year beginning January 1, 1994, forecast the growth in the state share and increase funding for local children's mental health collaboratives accordingly;

(13) identify data to be collected and outcome measures to be reported by local children's mental health collaboratives;

(14) identify barriers to integrated service systems that arise from data practices and make recommendations including legislative changes needed in the data privacy act to address these barriers;

(15) annually review the expenditures of local children's mental health collaboratives to ensure that funding for services provided to the target population continues from sources other than the federal funds earned under sections 245.491 to 245.496 and that federal funds earned are spent consistent with sections 245.491 to 245.496; and

(16) provide the integrated fund task force with information requested.

Subd. 2. [STATE COORDINATING COUNCIL REPORT.] Each year, beginning February 1, 1995, the state coordinating council must submit a report to the legislature on the status of the local children's mental health collaboratives. The report must include the number of local children's mental health collaboratives, the amount and type of resources committed to local children's mental health collaboratives, the additional federal revenue received as a result of local children's mental health collaboratives, the services provided, the number of children served, outcome indicators, the identification of barriers to additional collaboratives and funding integration, and

recommendations for further improving service coordination and funding integration.

Subd. 3. [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] The commissioner of human services, in consultation with the integrated fund task force, shall:

(1) separate all medical assistance, general assistance medical care, and MinnesotaCare resources devoted to mental health services including inpatient, outpatient, medication management, services under the rehabilitation option, and related physician services from the total health capitation under section 256B.69 and develop a separate contract for managing these mental health benefits that will require all contractors to:

(i) provide mental health services eligible for medical assistance reimbursement;

(ii) meet performance standards established by the commissioner of human services including providing services consistent with the requirements and standards set out in sections 245.487 to 245.4888 and 245.491 to 245.496;

(iii) provide the commissioner of human services with data consistent with that collected under sections 245.487 to 245.4888; and

(iv) in service delivery areas where there is a local children's mental health collaborative for the target population defined by local children's mental health collaborative:

(A) participate in the local children's mental health collaborative;

(B) commit resources to local children's mental health collaboratives that are actuarially equivalent to resources received for the target population being served by local children's mental health collaboratives; and

(C) meet the requirements and the performance standards developed for local children's mental health collaboratives;

(2) develop a mechanism for integrating medical assistance resources for mental health service with resources for general assistance medical care, MinnesotaCare, and any other state and local resources available for services for children in the target population and develop a procedure for making these resources available for use by a local children's mental health collaborative;

(3) gather data needed to manage mental health care including evaluation data and data necessary to establish a separate capitation rate for children's mental health services if that option is selected;

(4) by January 1, 1994, develop a model contract for providers of mental health managed care that meets the requirements set out in sections 245.491 to 245.496 and 256B.69, and utilize this contract for all subsequent awards, and before January 1, 1995, the commissioner of human services shall not enter into or extend any contract under section 256B.69 that would impede the implementation of sections 245.491 to 245.496;

(5) by January 1, 1994, develop revenue enhancement or rebate mechanisms and procedures to certify expenditures made through local children's mental health collaboratives for mental health services that may be eligible for federal financial participation under medical assistance and other federal programs;

(6) provide technical assistance, including expenses for administration, to help local children's mental health collaboratives certify local expenditures for federal financial participation;

(7) assist local children's mental health collaboratives in identifying an economically viable initial target population;

(8) seek all necessary federal waivers or approvals and recommend necessary legislation to enhance federal revenue, provide clinical and management flexibility, and otherwise meet the goals of local children's mental health collaboratives and request necessary state plan amendments to maximize the availability of medical assistance for activities undertaken by the local children's mental health collaborative;

(9) take all steps necessary to secure medical assistance reimbursement under the rehabilitation option for family community support services and therapeutic support of foster care and for residential treatment and wrap-around services when these services are provided through a local children's mental health collaborative; and

(10) provide a mechanism to identify separately the reimbursement to a county for child welfare targeted case management provided to the target population for purposes of subsequent transfer by the county to the integrated fund.

Subd. 4. [RULEMAKING.] The commissioners of human services, health, corrections, and the state board of education shall adopt or amend rules as necessary to implement sections 245.491 to 245.496.

Subd. 5. [REPORT.] By January 15, 1994, the commissioner shall report to the legislature the extent to which claims for federal reimbursement for case management as set out in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322 as they pertain to mental health case management are consistent with the number of children eligible to receive this service. The report shall also identify how the commissioner intends to increase the numbers of eligible children receiving this service, including recommendations for modifying rules or statutes to improve access to this service and to reduce barriers to its provision.

In developing these recommendations, the commissioner shall:

(1) review experience and consider alternatives to the reporting and claiming requirements, such as the rate of reimbursement, the claiming unit of time, and documenting and reporting procedures set out in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322 as they pertain to mental health case management;

(2) consider experience gained from implementation of child welfare targeted case management;

(3) determine how to adjust the reimbursement rate to reflect reductions in caseload size;

(4) determine how to ensure that provision of targeted child welfare case management does not preclude an eligible child's right, or limit access, to case management services for children with severe emotional disturbance as set out in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322 as they pertain to mental health case management;

(5) determine how to include cost and time data collection for contracted providers for rate setting, claims, and reimbursement purposes;

(6) evaluate the need for cost control measures where there is no county share; and

(7) determine how multiagency teams may share the reimbursement.

The commissioner shall conduct a study of the cost of county staff providing case management services under Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322 as they pertain to mental health case management. If the average cost of providing case management services to children with severe emotional disturbance is determined by the commissioner to be greater than the average cost of providing child welfare targeted case management, the commissioner shall insure that a higher reimbursement rate is provided for case management services under Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322 to children with severe emotional disturbance. The total medical assistance funds expended for this service in the biennium ending in state fiscal year 1995 shall not exceed the amount projected in the state Medicaid forecast for case management for children with serious emotional disturbances.

Sec. 11. [245.495] [ADDITIONAL FEDERAL REVENUES.]

(a) Each local children's mental health collaborative shall report expenditures eligible for federal reimbursement in a manner prescribed by the commissioner of human services under section 256.01, subdivision 2, clause (17). The commissioner of human services shall pay all funds earned by each local children's mental health collaborative to the collaborative. Each local children's mental health collaborative must use these funds to expand the initial target population or to develop or provide mental health services through the local integrated service system to children in the target population. Funds may not be used to supplant funding for services to children in the target population.

For purposes of this section, "mental health services" are community-based, nonresidential services, which may include respite care, that are identified in the child's multiagency plan of care.

(b) The commissioner may set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The set-aside must not exceed five percent of the federal reimbursement earned by collaboratives and repayment is limited to:

(1) the costs of developing and implementing sections 245.491 to 245.496, including the costs of technical assistance from the departments of human services, education, health, and corrections to implement the children's mental health integrated fund;

(2) programming the information systems; and

(3) any lost federal revenue for the central office claim directly caused by the implementation of these sections.

(c) Any unexpected funds from the set-aside described in paragraph (b) shall be distributed to counties according to section 245.495, subdivision 2.

Sec. 12. [245.496] [IMPLEMENTATION.]

Subdivision 1. [APPLICATIONS FOR START-UP FUNDS FOR LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVES.] By September 1, 1993, the commissioner of human services shall publish the procedures for awarding start-up funds. Applications for local children's mental health collaboratives shall be obtained through the commissioner of human services and submitted to the state coordinating council. The application must state the amount of start-up funds requested by the local children's mental health collaborative and how the local children's mental health collaborative intends on using these funds.

Subd. 2. [DISTRIBUTION OF START-UP FUNDS.] By January 1, 1994, the state coordinating council must ensure distribution of start-up funds to local children's mental health collaboratives that meet the requirements established in section 245.493 and whose applications have been approved by the council. If the number of applications received exceed the number of local children's mental health collaboratives that can be funded, the funds must be geographically distributed across the state and balanced between the seven county metro area and the rest of the state. Preference must be given to collaboratives that include the juvenile court and correctional systems, multiple school districts, or other multiple government entities from the local system of care. In rural areas, preference must also be given to local children's mental health collaboratives that include multiple counties. Initially, no more than one collaborative per county may qualify for start-up funds.

Subd. 3. [SUBMISSION AND APPROVAL OF LOCAL COLLABORATIVE PROPOSALS FOR INTEGRATED SYSTEMS.] By December 31, 1994, a local children's mental health collaborative that received start-up funds must submit to the state coordinating council its proposal for creating and funding an integrated service system for children in the target population. Within 60 days of receiving the local collaborative proposal the state coordinating council must review the proposal and notify the local children's mental health collaborative as to whether or not the proposal has been approved. If the proposal is not approved, the state coordinating council must indicate changes needed to receive approval.

Sec. 13. Minnesota Statutes 1992, section 245.652, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The regional treatment centers shall provide services designed to end a person's reliance on chemical use or a person's chemical abuse and increase effective and chemical-free functioning. Clinically effective programs must be provided in accordance with section 246.64. Services may be offered on the regional center campus or at sites elsewhere in the catchment area served by the regional treatment center.

Sec. 14. Minnesota Statutes 1992, section 245.652, subdivision 4, is amended to read:

Subd. 4. [SYSTEM LOCATIONS.] Programs shall be located in Anoka, Brainerd, Fergus Falls, ~~Moose Lake~~, St. Peter, and Willmar and may be offered at other selected sites.

Sec. 15. [246.0136] [PLANNING FOR TRANSITION OF REGIONAL SERVICES IN NORTHEASTERN MINNESOTA.]

Transition planning for the care of persons who are mentally ill, developmentally disabled, chemically dependent, or traumatic brain injured, and who will no longer be served by the Moose Lake regional treatment center campus must be carried out as follows. The commissioner of human services shall convene a negotiation team to include representatives of the following groups: social service agencies in the counties presently served by the Moose Lake regional treatment center, patient advocates, families, the department of human services, the department of corrections, and employee bargaining units. The negotiation team shall develop a negotiated transition plan for patients at the Moose Lake regional treatment center who are mentally ill, developmentally disabled, chemically dependent, or traumatic brain injured, and who will be relocated during the biennium ending June 30, 1995. The commissioner shall present the plan to the legislature by January 15, 1994. The negotiation plan shall include a resident relocation plan which shall involve recommendations (1) for placement of clients at both public and private programs, including placement at other regional treatment centers; and (2) for funding the placements. The plan shall include recommendations for the location, size and patient mix for services and facilities that would be needed. The plan shall include recommendations for relocation of developmentally disabled clients to state-operated and private community facilities and chemically dependent clients to state-operated programs during the state fiscal year ending June 30, 1994, to enable the department of corrections to begin developing corrections beds at Moose Lake. Recommendations for relocation and for new treatment opportunities for persons who are mentally ill shall be developed during the state fiscal year 1994 to allow for a transition by the department of corrections in a coordinated manner. Mentally ill and geriatric residents may not be moved from the Moose Lake regional treatment center until a negotiated transition plan by the negotiation team for their placement is completed. The purpose of the negotiated transition plan is to ensure that quality direct care from private and state-operated services continues to be available for clients in northeastern Minnesota, in programs and facilities close to their homes.

Sec. 16. [246.0137] [PLANNING FOR TRANSITION OF REGIONAL SERVICES IN SOUTHEASTERN MINNESOTA.]

Transition planning for the care of persons who are developmentally disabled and who will no longer be served by the Faribault regional treatment center campus must be carried out as follows. The commissioner of human services shall convene a negotiation team to include representatives of the following groups: social service agencies in the counties presently served by the Faribault regional treatment center, patient advocates, families, the department of human services, the department of corrections, and employee bargaining units. The negotiation team shall develop a negotiated transition plan for persons at the Faribault regional treatment center who are developmentally disabled who will be relocated. The commissioner shall present the plan to the legislature by January 15, 1995. The negotiation plan must include a resident relocation plan which includes recommendations for placement of clients at both public and private programs, including placement at other regional treatment centers, and for funding the placements. The plan must include recommendations for the location, size and patient mix of services and facilities needed. The plan must include recommendations for relocation of developmentally disabled clients to state-operated and private community facilities. Residents may not be moved from the Faribault regional treatment center until a negotiated transition plan by the negotiation team for their

placement is completed. The purpose of the negotiated transition plan is to ensure that quality direct care from private and state-operated services continues to be available for clients in southeastern Minnesota in programs and facilities close to their homes.

Sec. 17. Minnesota Statutes 1992, section 246.02, subdivision 2, is amended to read:

Subd. 2. The commissioner of human services shall act with the advice of the medical policy directional committee on mental health in the appointment and removal of the chief executive officers of the following institutions: Anoka-Metro Regional Treatment Center, Ah-Gwah-Ching Center, Fergus Falls Regional Treatment Center, ~~Moose Lake Regional Treatment Center, Oak Terrace Nursing Home, Rochester State Hospital,~~ St. Peter Regional Treatment Center and Minnesota Security Hospital, Willmar Regional Treatment Center, Faribault Regional Center, Cambridge Regional Human Services Center, and Brainerd Regional Human Services Center, and until June 30, 1995, Moose Lake Regional Treatment Center, and after June 30, 1995, Minnesota Psychopathic Personality Treatment Center.

Sec. 18. Minnesota Statutes 1992, section 246.151, subdivision 1, is amended to read:

Subdivision 1. [COMPENSATION.] Notwithstanding any law to the contrary, the commissioners of human services and veterans affairs are authorized to provide for the payment to patients or residents of state institutions under their management and control of such pecuniary compensation as they may deem proper, required by the United States Department of Labor. Payment of subminimum wages shall meet all requirements of United States Department of Labor Regulations, Code of Federal Regulations, title 29, part 525. The amount of compensation to depend depends upon the quality and character of the work performed as determined by the commissioner and the chief executive officer, but in no case less than 25 percent of the minimum wage established pursuant to section 177.24.

Sec. 19. [246B.01] [MINNESOTA PSYCHOPATHIC PERSONALITY TREATMENT CENTER; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services or the commissioner's designee.

Subd. 3. [PSYCHOPATHIC PERSONALITY.] "Psychopathic personality" has the meaning given in section 526.09.

Sec. 20. [246B.02] [ESTABLISHMENT OF MINNESOTA PSYCHOPATHIC PERSONALITY TREATMENT CENTER.]

The commissioner of human services shall establish and maintain a secure facility located in Moose Lake. The facility shall be known as the Minnesota Psychopathic Personality Treatment Center. The facility shall provide care and treatment to persons committed by the courts as psychopathic personalities, or persons admitted there with the consent of the commissioner of human services.

Sec. 21. [246B.03] [LICENSURE.]

The commissioner of human services shall apply to the commissioner of health to license the Minnesota Psychopathic Personality Treatment Center as a supervised living facility with applicable program licensing standards.

Sec. 22. [246B.04] [RULES; EVALUATION.]

The commissioner of human services shall adopt rules to govern the operation, maintenance, and licensure of the program established at the Minnesota Psychopathic Personality Treatment Center for persons committed as a psychopathic personality. The commissioner shall establish an evaluation process to measure outcomes and behavioral changes as a result of treatment compared with incarceration without treatment, to determine the value, if any, of treatment in protecting the public.

Sec. 23. Minnesota Statutes 1992, section 252.025, subdivision 4, is amended to read:

Subd. 4. [STATE-PROVIDED SERVICES.] (a) It is the policy of the state to capitalize and recapitalize the regional treatment centers as necessary to prevent depreciation and obsolescence of physical facilities and to ensure they retain the physical capability to provide residential programs. Consistent with that policy and with section 252.50, and within the limits of appropriations made available for this purpose, the commissioner may establish, by June 30, 1991, the following state-operated, community-based programs for the least vulnerable regional treatment center residents: at Brainerd regional services center, two residential programs and two day programs; at Cambridge regional treatment center, four residential programs and two day programs; at Faribault regional treatment center, ten residential programs and six day programs; at Fergus Falls regional treatment center, two residential programs and one day program; at Moose Lake regional treatment center, four residential programs and two day programs; and at Willmar regional treatment center, two residential programs and one day program.

(b) By January 15, 1991, the commissioner shall report to the legislature a plan to provide continued regional treatment center capacity and state-operated, community-based residential and day programs for persons with developmental disabilities at Brainerd, Cambridge, Faribault, Fergus Falls, ~~Moose Lake~~, St. Peter, and Willmar, as follows:

(1) by July 1, 1998, continued regional treatment center capacity to serve 350 persons with developmental disabilities as follows: at Brainerd, 80 persons; at Cambridge, 12 persons; at Faribault, 110 persons; at Fergus Falls, 60 persons; ~~at Moose Lake, 42 persons~~; at St. Peter, 35 persons; at Willmar, 25 persons; and up to 16 crisis beds in the Twin Cities metropolitan area; and

(2) by July 1, 1999, continued regional treatment center capacity to serve 254 persons with developmental disabilities as follows: at Brainerd, 57 persons; at Cambridge, 12 persons; at Faribault, 80 persons; at Fergus Falls, 35 persons; ~~at Moose Lake, 42 persons~~; at St. Peter, 30 persons; at Willmar, 12 persons, and up to 16 crisis beds in the Twin Cities metropolitan area. In addition, the plan shall provide for the capacity to provide residential services to 570 persons with developmental disabilities in 95 state-operated, community-based residential programs.

The commissioner is subject to a mandamus action under chapter 586 for any failure to comply with the provisions of this subdivision.

Sec. 24. Minnesota Statutes 1992, section 252.025, is amended by adding a subdivision to read:

Subd. 5. [SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS: MOOSE LAKE REGIONAL TREATMENT CENTER CATCHMENT AREA.] Notwithstanding subdivision 4, the commissioner shall develop eight four-bed waived, state-operated community service sites in the Moose Lake regional treatment center catchment area for persons with developmental disabilities. These services must be established by June 30, 1994, to serve persons relocated from the Moose Lake regional treatment center.

These services shall be in addition to any state-operated community services and day treatment centers in operation in the Moose Lake catchment area during state fiscal year 1993.

Sec. 25. Minnesota Statutes 1992, section 252.025, is amended by adding a subdivision to read:

Subd. 6. [DEVELOPMENT OF STATE-OPERATED SERVICES.] Notwithstanding subdivision 4, during the biennium ending June 30, 1995, the commissioner shall establish the following state-operated community-based services under the federal home- and community-based services waiver to serve 132 persons with developmental disabilities:

(1) by June 30, 1994, state-operated, community-based services located anywhere in the state for 16 persons leaving regional treatment centers as a result of downsizing;

(2) by June 30, 1994, state-operated, community-based services located at Faribault for 72 persons leaving the Faribault regional treatment center;

(3) by June 30, 1995, state-operated, community-based services located anywhere in the state for eight persons leaving regional treatment centers as a result of downsizing; and

(4) by June 30, 1995, state-operated, community-based services located at Cambridge for 36 persons leaving the Cambridge regional treatment center.

Sec. 26. Minnesota Statutes 1992, section 252.50, is amended by adding a subdivision to read:

Subd. 2a. [USE OF ENHANCED WAIVERED SERVICES FUNDS.] The commissioner may, within the limits of appropriations made available for this purpose, use enhanced waived services funds under the home- and community-based waiver for persons with mental retardation or related conditions to move to state-operated community programs and to private facilities.

Sec. 27. Minnesota Statutes 1992, section 253.015, subdivision 1, is amended to read:

Subdivision 1. [STATE HOSPITALS FOR PERSONS WITH MENTAL ILLNESS.] The state hospitals located at Anoka, Brainerd, Fergus Falls, ~~Moose Lake~~, St. Peter, and Willmar, and ~~Moose Lake until June 30, 1995~~, shall constitute the state hospitals for persons with mental illness, and shall be maintained under the general management of the commissioner of human services. The commissioner of human services shall determine to what state hospital persons with mental illness shall be committed from each county and notify the probate judge thereof, and of changes made from time to time. The

chief executive officer of each hospital for persons with mental illness shall be known as the chief executive officer.

Sec. 28. Minnesota Statutes 1992, section 253.015, is amended by adding a subdivision to read:

Subd. 3. [SERVICES FOR PERSONS WITH MENTAL ILLNESS FROM MOOSE LAKE REGIONAL TREATMENT CENTER.] (a) The negotiated transition plan for relocating patients with mental illness from the Moose Lake regional treatment center, must promote a mix of state-operated and private services to include the following:

(1) inpatient psychiatric services for adult patients who are acutely ill, particularly those under judicial commitment;

(2) inpatient psychiatric services for psychogeriatric patients; and

(3) community residences designed to serve mentally ill persons. Each of these community residences should have a four-bed crisis unit attached, so as to serve homeless clients or clients in need of respite care.

State-operated services may be developed through lease or purchase or construction of needed beds or facilities.

(b) By July 1, 1994, the commissioner shall establish 70 beds at Brainerd regional human services center to serve persons with mental illness being relocated from the Moose Lake regional treatment center.

Sec. 29. Minnesota Statutes 1992, section 253.015, is amended by adding a subdivision to read:

Subd. 4. [SERVICES FOR PERSONS WITH TRAUMATIC BRAIN INJURY.] During the biennium ending June 30, 1995, the commissioner shall develop the following services in the Moose Lake regional treatment catchment area for persons with traumatic brain injury to serve patients relocated from the Moose Lake regional treatment center:

(1) a 16-bed inpatient neuro-rehabilitation unit developed at another regional treatment center or alternative site utilizing the special hospital beds currently located in the state regional treatment center system; and

(2) eight community-based, state-operated beds funded by the traumatic brain injury waiver.

Sec. 30. Minnesota Statutes 1992, section 253.202, is amended to read:

253.202 [MANAGEMENT.]

Notwithstanding the provisions of section 253.201, or any other law to the contrary, the Minnesota Security Hospital shall be under the administrative management of a hospital administrator, to be appointed by the commissioner of human services, who shall be a graduate of an accredited college giving a course leading to a degree in hospital administration, and the commissioner of human services, by rule, shall designate such colleges which in the commissioner's opinion give an accredited course in hospital administration. ~~The administrative management of the Minnesota Security Hospital shall not continue under the management of the superintendent of the St. Peter regional treatment center.~~ In addition to a hospital administrator, the commissioner of human services may appoint a licensed doctor of medicine as chief of the

medical staff and the doctor shall be in charge of all medical care, treatment, rehabilitation, and research. This section is effective on July 1, 1963.

Sec. 31. Minnesota Statutes 1992, section 254.04, is amended to read:

254.04 [TREATMENT OF ~~INEBRIATES~~ CHEMICALLY DEPENDENT PERSONS.]

The commissioner of human services is hereby authorized to continue the treatment of ~~inebriates chemically dependent persons at the state hospital farm for inebriates~~ *Ah-Gwah-Ching* and at the regional treatment centers located at Anoka, Brainerd, Fergus Falls, Moose Lake, St. Peter, and Willmar as now provided by law, and in addition thereto the commissioner is authorized to provide for the treatment of inebriates at the Moose Lake regional treatment center, but no inebriate shall be committed for treatment to either facility except as may be authorized and permitted by the commissioner of human services. During the year ending June 30, 1994, the commissioner shall relocate, in the catchment area served by the Moose Lake regional treatment center, two state-operated off-campus programs designed to serve patients who are relocated from the Moose Lake regional treatment center. One program shall be a 35-bed program for women who are chemically dependent; the other shall be a 25-bed program for men who are chemically dependent. The facility space housing the *Liberalis* chemical dependency program (building C-35) and the men's chemical dependency program (4th floor main) may not be vacated until suitable off campus space for the women's chemical dependency program of 35 beds and the men's chemical dependency program of 25 beds is located and clients and staff are relocated.

Sec. 32. Minnesota Statutes 1992, section 254.05, is amended to read:

254.05 [DESIGNATION OF STATE HOSPITALS.]

The state hospital for the insane located at Anoka shall hereafter be known and designated as the Anoka-metro regional treatment center; the state hospital for the insane located at Hastings shall hereafter be known and designated as the Hastings state hospital; the state hospital for the insane and the hospital farm for inebriates located at Willmar shall hereafter be known and designated as the Willmar regional treatment center; until June 30, 1995, the state hospital for the insane located at Moose Lake shall hereafter be known and designated as the Moose Lake regional treatment center; after June 30, 1995, the newly established state facility at Moose Lake shall be known and designated as the Minnesota psychopathic personality treatment center; the state hospital for the insane located at Fergus Falls shall hereafter be known and designated as the Fergus Falls regional treatment center; the state hospital for the insane located at Rochester shall hereafter be known and designated as the Rochester state hospital; and the state hospital for the insane located at St. Peter shall hereafter be known and designated as the St. Peter regional treatment center. Each of the foregoing state hospitals shall also be known by the name of regional center at the discretion of the commissioner of human services. The terms "human services" or "treatment" may be included in the designation.

Sec. 33. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 32. [FAMILY COMMUNITY SUPPORT SERVICES.] Medical assistance covers family community support services as defined in section

245.4871, subdivision 17, that are provided through a local mental health collaborative, as defined in section 245.492, subdivision 11.

Sec. 34. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 33. [THERAPEUTIC SUPPORT OF FOSTER CARE.] Medical assistance covers therapeutic support of foster care as defined in section 245.4871, subdivision 34, that are provided through a local mental health collaborative, as defined in section 245.492, subdivision 11.

Sec. 35. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 34. [WRAPAROUND SERVICES.] Medical assistance covers wraparound services as defined in section 245.492, subdivision 21, that are provided through a local children's mental health collaborative, as defined in section 245.492, subdivision 11.

Sec. 36. Laws 1991, chapter 292, article 6, section 57, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE TASK FORCE.] The commissioner of human services shall convene a task force to study the feasibility of establishing an integrated children's mental health fund. The task force shall consist of mental health professionals, county social services personnel, service providers, advocates, and parents of children who have experienced episodes of emotional disturbance. The task force shall also include representatives of the children's mental health subcommittee of the state advisory council and local coordinating councils established under Minnesota Statutes, sections 245.487 to 245.4887. The task force shall include the commissioners of education, health, and human services; two members of the senate; and two members of the house of representatives. The task force shall examine all possible county, state, and federal sources of funds for children's mental health with a view to designing an integrated children's mental health fund, improving methods of coordinating and maximizing all funding sources, and increasing federal funding. Programs to be examined shall include, but not be limited to, the following: medical assistance, title IV-E of the social security act, title XX social service programs, chemical dependency programs, education and special education programs, and, for children with a dual diagnosis, programs for the developmentally disabled. The task force may consult with experts in the field, as necessary. ~~The task force shall make a preliminary report and recommendations on local coordination of funding sources by January 1, 1992, to facilitate the development of local protocols and procedures under subdivision 2. The task force shall submit a final report to the legislature by January 1, 1993, with its findings and recommendations. By January 1, 1994, the task force shall provide a report to the legislature with recommendations of the task force for promoting integrated funding and services for children's mental health. The report must include the following recommendations: (1) how to phase in all delivery systems, including the juvenile court and correctional systems; (2) how to expand the initial target population so that the state eventually has a statewide integrated children's mental health service system that integrates funding regardless of source for children with emotional or behavioral disturbances or those at risk of suffering such disturbances; (3) possible outcome measures of the local children's mental health collaboratives; and (4) for any necessary legislative changes in the data practices act. The task force shall continue through June 30, 1995, and shall advise and~~

assist the state coordinating council and local children's mental health collaboratives as required in sections 245.491 to 245.496.

Sec. 37. Laws 1991, chapter 292, article 6, section 57, subdivision 3, is amended to read:

Subd. 3. [FINAL REPORT.] By February 15, 1993, the commissioner of human services shall provide a report to the legislature that describes the reports and recommendations of the statewide task force under subdivision 1 and of the local coordinating councils under subdivision 2, and provides the commissioner's recommendations for legislation or other needed changes.

Sec. 38. [MENTAL HEALTH SERVICES DELIVERY SYSTEM PILOT PROJECT IN DAKOTA COUNTY.]

Subdivision 1. [AUTHORIZATION FOR CONTINUATION OF PILOT PROJECT.] (a) The previously authorized mental health services delivery system pilot project in Dakota county shall be continued for a two-year period, commencing on July 1, 1993, and ending on June 30, 1995.

(b) Dakota county shall receive a grant from the department of human services to pay related expenses associated with the pilot project during fiscal years 1994 and 1995.

Subd. 2. [AUTHORIZATION FOR INTEGRATED FUNDING OF STATE-SUPPORTED MENTAL HEALTH SERVICES.] (a) The commissioner of human services shall establish an adult mental health services integrated fund for Dakota county to permit flexibility in expenditures based on local needs with local control.

(b) The revenues and expenditures included in the integrated fund shall be as follows:

(1) residential services funds administered under Rule 12, in an amount to be determined by mutual agreement between Dakota county and the commissioner of human services after an examination of the county's historical utilization of Rule 36 facilities located both within and outside of the county;

(2) community support services funds administered under Rule 78 (old Rule 14);

(3) Anoka alternatives grant funds;

(4) housing support services grant funds;

(5) OBRA grant funds; and

(6) crisis foster homes grant funds.

(c) As part of the pilot project, Dakota county may study the feasibility of adding medical assistance, general assistance, general assistance medical care, and Minnesota supplemental aid to the integrated fund. The commissioner of human services, with the express consent of the Dakota county board of commissioners, may add medical assistance, general assistance, general assistance medical care, and Minnesota supplemental aid to the integrated fund.

(d) Dakota county must provide the commissioner of human services with timely and pertinent information about the county's adult mental health service delivery system through the following methods:

(1) submission of community social services act plans and plan amendments;

(2) submission of social service expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the county and the commissioner;

(3) compliance with the community mental health reporting system and with other state reporting systems necessary for the production of comprehensive statewide information;

(4) submission of the data on clients, services, costs, providers, human resources, and outcomes that the state needs in order to compile information on a statewide basis; and

(5) participation in semiannual meetings convened by the commissioner for the purpose of reviewing Dakota county's adult mental health program and assessing the impact of integrated funding.

(e) The commissioner of human services shall waive or modify any administrative rules, regulations, or guidelines which are incompatible with the implementation of the integrated fund.

(f) The integrated fund shall be subject to the following conditions and understandings.

(1) Dakota county may apply for any new or expanded mental health service funds which may become available in the future, on an equal basis with other counties.

(2) The integrated fund shall be adjusted at least biennially to reflect any increase in the population of Dakota county, using a method to be determined by mutual agreement between the county and the commissioner of human services.

(3) If the level of state funding for mental health services in other counties is adjusted upward or downward, an adjustment at the equivalent rate shall be made to Dakota county's integrated fund, to the extent that the adjustment made elsewhere applies to the revenue and expenditure categories included in the integrated fund.

(4) Payments to Dakota county for the integrated fund shall be made in 12 equal installments per year at the beginning of each month, or by another method to be determined by mutual agreement between the county and the commissioner of human services.

(5) The commissioner of human services shall exempt Dakota county from fiscal and other sanctions for noncompliance with any requirements in state rules, regulations, or guidelines which are incompatible with the implementation of the integrated fund.

(6) The integrated fund may be discontinued for any reason by the Dakota county board of commissioners or the commissioner of human services, after 90 days' written notice to the other party.

(7) If the integrated fund is discontinued, any expenses incurred by Dakota county in order to resume full compliance with state rules, regulations, and guidelines, shall be covered by the state, to the extent allowed by rules and appropriation funding.

(8) *The integrated fund shall be established on July 1, 1993, or later by mutual agreement between the county and the commissioner of human services.*

(9) *If any of the revenues included in the integrated fund are federal in origin, any federal requirements for the use and reporting of those funds shall remain in force, unless such requirements are waived or modified by the appropriate federal agency.*

Sec. 39. [PSYCHOPATHIC PERSONALITY STUDY.]

The commissioner of administration shall perform a study of legal and treatment issues related to psychopathic personality and shall submit a report to the legislature by January 15, 1994. The study shall include:

(1) *the legal definitions of psychopathic personality in statute and case law in other jurisdictions and a description of the facts relied on by Minnesota courts during the previous 12 months in determining that the definition in Minnesota Statutes, section 526.09, has been met;*

(2) *the extent to which other jurisdictions use the corrections systems or the mental health systems to confine persons exhibiting the conduct defined;*

(3) *the extent to which other jurisdictions provide treatment to individuals confined in either the mental health or corrections system and the results of any evaluations of the relative effectiveness of such treatment;*

(4) *an assessment of the cost to the state of Minnesota of confinement in both the mental health and corrections systems;*

(5) *a review of case law relating to the constitutional duties of the state with respect to a person defined as a psychopathic personality, and an analysis of the impact on the rights of persons currently confined under Minnesota law if the law is changed; and*

(6) *a recommendation, based on the results of the study, as to the appropriateness of each system of confinement and the provision of treatment.*

Sec. 40. [EFFECTIVE DATE.]

Sections 33, 34, and 35 are effective January 1, 1994.

ARTICLE 9

FAMILY SERVICES COLLABORATIVE

Section 1. [256F.10] [FAMILY SERVICES COLLABORATIVE.]

Subdivision 1. [FEDERAL REVENUE ENHANCEMENT.] (a) [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] The commissioner of human services may enter into an agreement with one or more family services collaboratives to enhance federal reimbursement under Title IV-E of the Social Security Act and federal administrative reimbursement under Title XIX of the Social Security Act. The commissioner shall have the following authority and responsibilities regarding family services collaboratives:

(1) *the commissioner shall submit amendments to state plans and seek waivers as necessary to implement the provisions of this section;*

(2) *the commissioner shall pay the federal reimbursement earned under this subdivision to each collaborative based on their earnings. Notwithstanding section 256.025, subdivision 2, payments to collaboratives for expenditures under this subdivision will only be made of federal earnings from services provided by the collaborative;*

(3) *the commissioner shall review expenditures of family services collaboratives using reports specified in the agreement with the collaborative to ensure that the base level of expenditures is continued and new federal reimbursement is used to expand education, social, health, or health-related services to young children and their families;*

(4) *the commissioner may reduce, suspend, or eliminate a family services collaborative's obligations to continue the base level of expenditures or expansion of services if the commissioner determines that one or more of the following conditions apply:*

(i) *imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;*

(ii) *reduction in the net tax capacity of the taxable property eligible to be taxed by the lead county or subcontractor that significantly reduces available funds for education, social, health, or health-related services to families and children;*

(iii) *reduction in the number of children under age 19 in the county, collaborative service delivery area, subcontractor's district, or catchment area when compared to the number in the base year using the most recent data provided by the state demographer's office; or*

(iv) *termination of the federal revenue earned under the family services collaborative agreement;*

(5) *the commissioner shall not use the federal reimbursement earned under this subdivision in determining the allocation or distribution of other funds to counties or collaboratives;*

(6) *the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of this subdivision;*

(7) *the commissioner shall recover from the family services collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the family services collaborative's actions in the integrated fund, or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample; and*

(8) *the commissioner shall establish criteria for the family services collaborative for the accounting and financial management system that will support claims for federal reimbursement.*

(b) [FAMILY SERVICES COLLABORATIVE RESPONSIBILITIES.] *The family services collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:*

(1) *the family services collaborative shall be the party with which the commissioner contracts. A lead county shall be designated as the fiscal agency for reporting, claiming, and receiving payments;*

(2) the family services collaboratives may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement, or to expand education, social, health, or health-related services to families and children;

(3) the family services collaborative must continue the base level of expenditures for education, social, health, or health-related services to families and children from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services, except as provided in subdivision 1, clause (4). The base year for purposes of this subdivision shall be the four-quarter calendar year ending at least two calendar quarters before the first calendar quarter in which the new federal reimbursement is earned;

(4) the family services collaborative must use all new federal reimbursement resulting from federal revenue enhancement to expand expenditures for education, social, health, or health-related services to families and children beyond the base level, except as provided in subdivision 1, clause (4);

(5) the family services collaborative must ensure that expenditures submitted for federal reimbursement are not made from federal funds or funds used to match other federal funds. Notwithstanding section 256B.19, subdivision 1, for the purposes of family services collaborative expenditures under agreement with the department, the nonfederal share of costs shall be provided by the family services collaborative from sources other than federal funds or funds used to match other federal funds;

(6) the family services collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the agreement; and

(7) the family services collaborative shall submit an annual report to the commissioner as specified in the agreement.

Subd. 2: [AGREEMENTS WITH FAMILY SERVICES COLLABORATIVES.] At a minimum, the agreement between the commissioner and the family services collaborative shall include the following provisions:

(1) specific documentation of the expenditures eligible for federal reimbursement;

(2) the process for developing and submitting claims to the commissioner;

(3) specific identification of the education, social, health, or health-related services to families and children which are to be expanded with the federal reimbursement;

(4) reporting and review procedures ensuring that the family services collaborative must continue the base level of expenditures for the education, social, health, or health-related services for families and children as specified in subdivision 2, clause (3);

(5) reporting and review procedures to ensure that federal revenue earned under this section is spent specifically to expand education, social, health, or health-related services for families and children as specified in subdivision 2, clause (4);

(6) the period of time, not to exceed three years, governing the terms of the agreement and provisions for amendments to, and renewal of the agreement; and

(7) an annual report prepared by the family services collaborative.

Subd 3. [REQUEST FOR WAIVER OF RULES.] (a) A family services collaborative, or any other local collaborative entity, including those in Becker, Cass, and Ramsey counties, is encouraged to seek a waiver from any state or federal rule that impedes the implementation or effectiveness of the services provided by the collaborative. If the board or commissioner who adopted the state rule from which a waiver is requested approves a request for a waiver, it shall notify the family services collaborative and the interagency family services team of the approval. If the request for a waiver is denied, the board or commissioner who adopted the rule shall notify the family services collaborative, the interagency family services team, and the appropriate policy committees of the legislature of the reason for denying the waiver.

(b) A family services collaborative seeking a waiver from a federal rule shall submit a request, in writing, to the appropriate policy committees of the legislature. If the legislative committees approve the request, they shall direct the appropriate state agency to make a reasonable effort to negotiate a waiver of the federal rule. If the legislative committees deny the request for a waiver, they shall jointly notify the family services collaborative of the reason for denying the waiver."

Delete the title and insert:

"A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5;

256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1570, 848, 674 and 741 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 836, 889, 454 and 732 were read the second time.

MEMBERS EXCUSED

Mr. Moe, R.D. was excused from the Session of today from 11:00 a.m. to 2:30 p.m. Mmes. Benson, J.E.; Pariseau and Ms. Olson were excused from the Session of today from 1:15 to 2:30 p.m. Mr. Stevens was excused from the Session of today from 1:00 to 1:40 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Wednesday, April 21, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTIETH DAY

St. Paul, Minnesota, Wednesday, April 21, 1993

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

CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 19, 1993

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. 371.

Warmest regards,
Arne H. Carlson, Governor

April 19, 1993

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. 234.

Warmest regards,
Arne H. Carlson, Governor

April 20, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws, Chapter No.	Time and Date Approved 1993	Date Filed 1993
371		Res. No. 2	2:40 p.m. April 19	April 19
234		33	2:42 p.m. April 19	April 19

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 House Files, herewith transmitted: H.F. Nos. 427 and 1735.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 427: A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use taxes, income and franchise taxes, property taxes, and tax administration and enforcement; changing penalties; appropriating money; amending Minnesota Statutes 1992,

sections 82B.035, by adding a subdivision; 84.82, subdivision 10; 86B.401, subdivision 12; 270.071, subdivision 2; 270.072, subdivision 2; 271.06, subdivision 1; 271.09, subdivision 3; 272.02, subdivisions 1 and 4; 272.025, subdivision 1; 272.12; 273.03, subdivision 2; 273.061, subdivision 8; 273.124, subdivisions 9 and 13; 273.13, subdivision 25; 273.138, subdivision 5; 273.1398, subdivisions 1, 3, and 5b; 274.13, subdivision 1; 274.18; 275.065, subdivision 5a; 275.07, subdivisions 1 and 4; 275.28, subdivision 3; 275.295; 277.01, subdivision 2; 277.15; 277.17; 278.01, subdivision 1; 278.02; 278.03; 278.04; 278.08; 278.09; 287.21, subdivision 4; 287.22; 289A.08, subdivisions 3, 10, and 15; 289A.09, subdivision 1; 289A.11, subdivisions 1 and 3; 289A.12, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, and 14; 289A.18, subdivisions 1 and 4; 289A.20, subdivision 4; 289A.25, subdivisions 1, 2, 5a, 6, 8, 10, and 12; 289A.26, subdivisions 1, 4, and 6; 290A.04, subdivisions 1 and 2h; 296.14, subdivision 2; 297A.01, subdivision 3; 297B.01, subdivision 5; 297B.03; 347.10; 348.04; 469.175, subdivision 5; and 473H.10, subdivision 3; Laws 1991, chapter 291, article 1, section 65, as amended; Laws 1992, chapter 511, article 2, section 61; proposing coding for new law in Minnesota Statutes, chapters 273; 289A; and 297; repealing Minnesota Statutes 1992, sections 60A.13, subdivision 1a; 273.49; 274.19; 274.20; 277.011; 289A.08, subdivisions 9 and 12; 297A.258; and 348.03.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 585, now on General Orders.

H.F. No. 1735: A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37,

subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

Mr. Moe, R.D. moved that H.F. No. 1735 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 1428 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1428	1299				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1428 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1428 and insert the language after the enacting clause of S.F. No. 1299, the first engrossment; further, delete the title of H.F. No. 1428 and insert the title of S.F. No. 1299, the first engrossment.

And when so amended H.F. No. 1428 will be identical to S.F. No. 1299, and further recommends that H.F. No. 1428 be given its second reading and substituted for S.F. No. 1299, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 1161 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1161	833				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1161 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1161 and insert the language after the enacting clause of S.F. No. 833, the first engrossment; further, delete the title of H.F. No. 1161 and insert the title of S.F. No. 833, the first engrossment.

And when so amended H.F. No. 1161 will be identical to S.F. No. 833, and further recommends that H.F. No. 1161 be given its second reading and substituted for S.F. No. 833, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 977 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
977	825				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 977 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 977 and insert the language after the enacting clause of S.F. No. 825, the first engrossment; further, delete the title of H.F. No. 977 and insert the title of S.F. No. 825, the first engrossment.

And when so amended H.F. No. 977 will be identical to S.F. No. 825, and further recommends that H.F. No. 977 be given its second reading and substituted for S.F. No. 825, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 1525 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1525	803				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 1095 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1095	1446				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1095 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1095 and insert the language after the enacting clause of S.F. No. 1446, the first engrossment; further, delete the title of H.F. No. 1095 and insert the title of S.F. No. 1446, the first engrossment.

And when so amended H.F. No. 1095 will be identical to S.F. No. 1446, and further recommends that H.F. No. 1095 be given its second reading and

substituted for S.F. No. 1446, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1428, 1161, 977, 1525 and 1095 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that S.F. No. 184 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Kelly in the chair.

After some time spent therein, the committee arose, and Mr. Kelly reported that the committee had considered the following:

S.F. Nos. 1368, 167, 672, 653 and H.F. Nos. 846, 576, 670, which the committee recommends to pass.

H.F. No. 661, which the committee recommends to pass with the following amendment offered by Mr. Sams:

Mr. Sams moved to amend H.F. No. 661, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 8a. [DAIRY TRADE PRACTICES.] Certain information obtained by the commissioner of agriculture on dairy marketers or retailers is classified in section 7.

Sec. 2. Minnesota Statutes 1992, section 17.983, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE PENALTIES; CITATION.] If a person has violated chapter 29, 31, 31A, 32, or 34, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation shall describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.

Sec. 3. Minnesota Statutes 1992, section 17.984, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To carry out the commissioner's enforcement duties under chapter 29, 31, 31A, 32, or 34, the commissioner may, upon presenting appropriate credentials, during regular working hours and at other reasonable times, inspect premises subject to the commissioner's enforcement and licensing authority for reasons related to the commissioner's enforcement and licensing authority; request information from persons with information relevant to an inspection; and inspect relevant papers and records, including business records. The commissioner may issue notices in lieu of citations for minor violations if a notice is in the public interest.

Sec. 4. Minnesota Statutes 1992, section 32.394, subdivision 8d, is amended to read:

Subd. 8d. [PROCESSOR ASSESSMENT.] (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold for retail sale in Minnesota. Beginning ~~July May 1, 1991~~ 1993, the fee is five six cents per hundredweight. If the commissioner determines that a different fee, not exceeding less than five cents and not more than nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 31.39 and 32.394, subdivision 8, is needed to provide adequate funding for the Grades A and B inspection programs and the administration and enforcement of this act, the commissioner may, by rule, change the fee on processors within the range provided within this subdivision.

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

Sec. 5. Minnesota Statutes 1992, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] Fees are payable by a processor or marketing organization by July 1 of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid within 30 days of the due date, the service must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label must be withdrawn. A processor may terminate payment and service without loss of the Grade A label if written notice of that intention is given prior to the due date of the payment of an assessment and if the continuous inspection of the plant is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section must be deposited in the state treasury and constitute a separate account to be known as the milk inspection service dairy services account, which is hereby created,

set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and is in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture.

Sec. 6. [32.70] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 32.70 to 32.74.

Subd. 2. [BASIC COST.] (a) "Basic cost" for a processor means the actual cost of the raw milk plus 75 percent of the actual processing and handling costs for a selected class I or class II dairy product.

(b) "Basic cost" for a wholesaler means the actual cost of the selected class I or class II dairy product purchased from the processor or another wholesaler.

(c) "Basic cost" for a retailer means the actual cost of the selected class I or class II dairy product purchased from a processor or wholesaler.

Subd. 3. [BONA FIDE CHARITY.] "Bona fide charity" means a corporation, trust, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes.

Subd. 4. [PROCESSOR.] "Processor" means a person engaged in manufacturing or processing selected class I or class II dairy products in the person's own plant for sale in Minnesota.

Subd. 5. [PRODUCER.] "Producer" means a person who operates a dairy herd or herds in Minnesota producing milk or cream commercially and whose milk or cream is sold to, or received or handled by, a distributor or processor. "Producer" does not include an incorporated or unincorporated association of producers.

Subd. 6. [RESPONSIBLE PERSON.] "Responsible person" means the business entity that makes payment to an individual Grade A or Grade B milk producer.

Subd. 7. [SELECTED CLASS I DAIRY PRODUCTS.] "Selected class I dairy products" means milk for human consumption in fluid form and all other class I dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1068.40, or successor orders.

Subd. 8. [SELECTED CLASS II DAIRY PRODUCTS.] "Selected class II dairy products" means milk for human consumption processed into fluid cream, eggnog, yogurt, and all other class II dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1068.40, or successor orders.

Subd. 9. [SELL AT RETAIL; SALE AT RETAIL; RETAIL SALES.] "Sell at retail," "sale at retail," and "retail sales" mean a retail sale or offer for retail sale of a selected class I or class II dairy product for ultimate consumption or use.

Subd. 10. [SELL AT WHOLESALE; SALE AT WHOLESALE; WHOLESALE SALES.] "Sell at wholesale," "sale at wholesale," and "wholesale

sales" mean sale or offer for sale of a selected class I dairy product for purposes of resale or further processing or manufacturing, but does not include a producer selling or delivering milk to a processor. A delivery of selected class I dairy products to a retailer in Minnesota is a "sale at wholesale" if an assessment required under section 32.73 has not been paid.

Subd. 11. [WHOLESALER.] "Wholesaler" means a person including a distributor in the business of making sales of selected class I or class II dairy products, at wholesale in Minnesota. In the case of a person making sales at both retail and wholesale, "wholesaler" applies only to the sales at wholesale.

Sec. 7. [32.71] [DUTIES AND POWERS OF THE COMMISSIONER; DATA PRIVACY.]

Subdivision 1. [DUTIES; RULES.] The commissioner shall adopt emergency and permanent rules to implement and administer sections 32.70 to 32.74 as necessary.

Subd. 2. [DATA PRIVACY.] Financial and production information received by the commissioner on processors, wholesalers, or retailers including, but not limited to, financial statements, fee reports, price schedules, cost documentation, books, papers, records, or other documentation for the purpose of administration and enforcement of this chapter shall be classified private data or nonpublic data pursuant to chapter 13. That classification shall not limit the use of the information in the preparation, institution, or conduct of a legal proceeding by the commissioner in enforcing this chapter.

Sec. 8. [32.72] [SALES BELOW COST PROHIBITED; EXCEPTIONS.]

Subdivision 1. [POLICY; PROCESSORS; WHOLESALERS; RETAILERS.] (a) It is the intent of the legislature to accomplish partial deregulation of milk marketing with a minimum negative impact upon small volume retailers.

(b) A processor or wholesaler may not sell or offer for sale selected class I or class II dairy products at a price lower than the processor's or wholesaler's basic cost.

(c) A retailer may not sell or offer for sale selected class I or class II dairy products at a retail price lower than 107.5 percent of the retailer's basic cost. A retailer may not use any method or device in the sale or offer for sale of a selected dairy product that results in a violation of this section.

Subd. 2. [EXCEPTIONS.] The minimum processor, wholesaler, and retailer prices of subdivision 1 do not apply:

(i) to a sale complying with section 325D.06, clauses (1) to (4);

(ii) to a retailer giving away selected class I and class II dairy products free if the customer is not required to make a purchase;

(iii) to a processor, wholesaler, or retailer giving away selected class I and class II dairy products free or at a reduced cost to a bona fide charity; or

(iv) to a retailer during the month of June, 1994, and June of each year thereafter.

Sec. 9. [32.73] [MILK OVER-ORDER PREMIUM; PURPOSE; IMPLEMENTATION; ASSESSMENT FORMULA; EXEMPTIONS; DISCLOSURE; REPORT.]

Subdivision 1. [PURPOSE.] The legislature hereby establishes an over-order premium for milk to benefit the incomes of all Minnesota dairy producers and stabilize the economy in rural communities.

Subd. 2. [IMPLEMENTATION.] If the price for class 1 milk, as announced for each month by the federal milk marketing order that includes Minnesota, falls below \$13.20 per hundred pounds, the provisions of this section are effective and the commissioner shall implement the over-order premium program.

Subd. 3. [ASSESSMENT FORMULA.] For each cent the announced price per hundred pounds of milk falls below \$13.20, the commissioner shall collect from the wholesaler that makes the first wholesale sale of selected class 1 dairy products for retail sale in Minnesota an assessment of \$0.0225. The commissioner shall deposit the assessments in the Minnesota milk over-order premium account which account is hereby created.

Subd. 4. [EXEMPTIONS.] Selected class 1 dairy products sold as home delivery retail sales and sales to public or nonpublic schools are exempt from assessment under this section.

Subd. 5. [EQUALIZATION POOL.] Money in the Minnesota milk over-order premium account is appropriated to the commissioner to pool and redistribute payments at a uniform rate to Minnesota Grade A and B milk producers. The commissioner may make payments to a responsible person who, in turn, must pay Grade A and Grade B milk producers at the uniform distribution rate.

Subd. 6. [DISCLOSURE.] Payments of the over-order premium to a producer must be accompanied by a statement specifying the over-order premium rate, the dates of delivery to which the premium applies, the total hundredweight of milk to which the over-order premium applies, and the over-order premium amount paid to the producer.

Subd. 7. [ANNUAL REPORT.] Not later than February 1 of 1994 and each year thereafter, the commissioner, after consultation with representatives of the dairy production, processing, and marketing industries, shall report to the chairs of the agriculture committees of the senate and the house of representatives on the impacts and benefits to dairy farmers of the over-order premium and dairy marketing partial deregulation provisions of this act and the level of over-order premiums provided by common marketing agencies in the upper midwest during the previous calendar year. In addition, the February 1, 1994 report must provide recommendations concerning the desirability of exempting from the over-market premium assessment selected class 1 dairy products sold to certain not-for-profit customers, including hospitals, nursing homes, licensed day care providers, and residential care facilities and institutions. The report provided by the commissioner on February 1, 1995, must include an assessment of the impact of the removal of retail price controls during the month of June, 1994.

Sec. 10. [32.74] [REDRESS FOR INJURY OR THREATENED INJURY.]

A person injured by a violation of sections 32.70 to 32.74 may commence a legal action based on the violation in a court of competent jurisdiction and may recover economic damages and the costs of the action, including reasonable attorneys' fees. A person injured or who is threatened with injury or loss by reason of violation of sections 32.70 to 32.74 may commence a

legal action based on the violation and obtain injunctive relief in a court of competent jurisdiction against persons involved in a violation or threatened violation of sections 32.70 to 32.74 to prevent and restrain violations or threatened violations of sections 32.70 to 32.74 without alleging or proving actual damages or that an adequate remedy at law does not exist, so that injunctive relief can be obtained promptly and without awaiting evidence of injury or actual damage. This injunctive relief does not abridge and is not in lieu of any other civil remedy provided in sections 32.70 to 32.74.

Sec. 11. [RETURN OF CERTAIN ASSESSMENTS.]

Any balance that may exist in the Minnesota class I premium equalization fund on the effective date of this act must be returned to processors in proportion to their contributions to the balance.

Sec. 12. [SEVERABILITY.]

If any provision of Minnesota Statutes, section 32.73, is held to be unconstitutional, then all of Minnesota Statutes, section 32.73, is inoperative and of no effect.

Sec. 13. [COMMISSIONER'S TASK FORCE; FEDERAL MILK MARKETING ORDERS.]

The commissioner of agriculture may appoint and convene a task force consisting of three dairy producers, two of whom must be members of the Minnesota milk producers association, one dairy processor, one retail grocer, one consumer, the director of the dairy and livestock division of the department of agriculture, and the chairs of the agriculture committees of the senate and the house of representatives to determine the appropriate administrative and legislative actions which can be taken to reform the federal Milk Marketing Order System's class I pricing provisions that discriminate against upper midwest dairy producers. The chairs of the agriculture committees of the senate and the house of representatives may each appoint one additional member to the task force from the members of their respective agriculture committees. The commissioner shall report the findings and recommendations of the task force to the agriculture committees of the senate and the house of representatives.

Sec. 14. [TRANSITION RULES; ACCOUNTS.]

Emergency and permanent rules adopted by the commissioner of agriculture during 1992 and 1993 under Minnesota Statutes, section 32A.071, remain in effect until modified by the commissioner to conform to provisions of this act. The Minnesota Class I Premium Equalization Fund shall be renamed the Minnesota Milk Over-order Premium Account.

Sec. 15. [REPEALER.]

Minnesota Statutes 1992, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.071; 32A.08; and 32A.09, are repealed.

Sec. 16. [EFFECTIVE DATE.]

This act is effective the day following final enactment except that the repeal of Minnesota Statutes, section 32A.071, in section 15 is effective retroactive to April 1, 1993, and the provision for assessments in section 9 is effective on the first day of the month following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating dairy trade practices and minimum pricing; abolishing the Dairy Industry Unfair Trade Practices Act; changing enforcement procedures; imposing an assessment on certain class I milk; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 17.983, subdivision 1; 17.984, subdivision 1; and 32.394, subdivisions 8d and 9; proposing coding for new law in Minnesota Statutes, chapter 32; repealing Minnesota Statutes 1992, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.071; 32A.08; and 32A.09."

The motion prevailed. So the amendment was adopted.

H.F. No. 57, which the committee recommends to pass with the following amendment offered by Mr. Murphy:

Amend H.F. No. 57, as amended pursuant to Rule 49, adopted by the Senate March 31, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 497.)

Page 4, line 17, delete "*with a*"

Page 4, line 18; delete "*school bus endorsement*"

The motion prevailed. So the amendment was adopted.

S.F. No. 240, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 1, line 12, strike "*shall*" and insert "*must*".

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1570 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; establishing food handling reinspection fees; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 28A.08; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016;

85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.10; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 88; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

Mr. Morse moved to amend S.F. No. 1570 as follows:

Page 12, lines 8 and 9, delete "\$2,220,000" and insert "\$2,070,000"

Page 37, after line 28, insert:

"This appropriation is from the environmental fund."

The motion prevailed. So the amendment was adopted.

Mr. Morse then moved to amend S.F. No. 1570 as follows:

Pages 50 and 51, delete section 39

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Dille moved to amend S.F. No. 1570 as follows:

Page 13, after line 6, insert:

"The commissioner shall continue to operate a tractor and machinery safety training program for youth."

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend S.F. No. 1570 as follows:

Page 56, line 35, after the period, insert "*Up to \$15,000 per fiscal year of funds transferred under this subdivision may be used for lake monitoring.*"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 1570 as follows:

Page 12, line 44, delete "5,816,000" and insert "5,759,000" in both places

Pages 41 to 45, delete section 30

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Riveness moved to amend S.F. No. 1570 as follows:

Page 7, line 17, delete "21,861,000" and insert "22,861,000" and delete "22,319,000" and insert "23,319,000"

Page 7, lines 27 and 28, delete "\$2,238,000" and insert "\$2,738,000"

Page 14, line 12, delete "\$6,900,000" and insert "\$5,900,000"

Page 14, line 13, delete "\$9,900,000" and insert "\$8,900,000"

Correct the subdivision and section totals and the summaries by fund accordingly

CALL OF THE SENATE

Mr. Morse imposed a call of the Senate for the balance of the proceedings on S.F. No. 1570. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 46, as follows:

Those who voted in the affirmative were:

Anderson	Kroening	Novak	Price	Spear
Belanger	Lessard	Oliver	Riveness	Wiener
Betzold	Marty	Pappas	Runbeck	
Finn	Merriam	Pogemiller	Solon	

Those who voted in the negative were:

Adkins	Day	Johnston	Moe, R.D.	Sams
Beckman	Dille	Kelly	Mondale	Samuelson
Benson, D.D.	Flynn	Kiscaden	Morse	Stevens
Benson, J.E.	Frederickson	Knutson	Murphy	Stumpf
Berg	Hanson	Krentz	Neuville	Terwilliger
Bergin	Hottinger	Laidig	Pariseau	Vickerman
Bertram	Janezich	Larson	Piper	
Chandler	Johnson, D.E.	Lesewski	Ranum	
Chmielewski	Johnson, D.J.	Luther	Reichgott	
Cohen	Johnson, J.B.	McGowan	Robertson	

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

Mr. Moe, R.D. moved to amend S.F. No. 1570 as follows:

Page 65, after line 24, insert:

"Sec. 69. Minnesota Statutes 1992, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP] (a) A legislative commission on Minnesota resources of 46 20 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house appropriations and senate finance committees or designees appointed for the terms of the chairs, six eight members of the senate appointed by the

subcommittee on committees of the committee on rules and administration, and ~~six~~ eight members of the house appointed by the speaker.

At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Members shall serve on the commission until their successors are appointed.

(d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a)."

Page 70, lines 11 and 12, delete "Section 77 is" and insert "Sections 69 and 78 are"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 1570 as follows:

Page 66, after line 8, insert:

"Sec. 70. Minnesota Statutes 1992, section 116P.11, is amended to read:
116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of 25 percent of the interest earnings generated from the trust fund. Interest earnings generated from the trust fund shall equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities shall be apportioned as follows:

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

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

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

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

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

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

(4) for the 1995-1997 biennium, up to ~~ten~~ 2-1/2 percent of the revenue deposited in the fund in fiscal year 1996.

(c) *For the 1995-1997 biennium, up to 7-1/2 percent of the revenue deposited in the fund in fiscal year 1996 is available for projects eligible under section 116P.08, subdivision 1, that are not included in a budget plan developed by the commission.*

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 1570 as follows:

Page 65, after line 24, insert:

"Sec. 69. Minnesota Statutes 1992, section 116P.05, subdivision 1, is amended to read:

116P.05 [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1. [MEMBERSHIP.] (a) A legislative commission on Minnesota resources of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house appropriations and senate finance committees or designees appointed for the terms of the chairs, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker. *One member of the senate and one member of the house of representatives must be from each of the state's congressional districts.*

At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Members shall serve on the commission until their successors are appointed.

(d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a)."

Page 70, line 11, after the period, insert "Section 69 is effective January 1, 1997."

Amend the title as follows:

Page 1, line 14, after the semicolon, insert "providing for membership on the legislative commission on Minnesota resources;"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend the Moe, R.D. amendment to S.F. No. 1570 as follows:

Page 1, line 15, strike "two" and insert "three" in both places.

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

S.F. No. 1570 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mr. Benson, D.D.; Mrs. Benson, J.E. and Ms. Robertson voted in the negative.

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

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

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. 1135 and reports pertaining to appointments. The motion prevailed.

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

S.F. No. 103: A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; prescribing the powers and duties of licensees and the board; giving the gambling control board director cease and desist authority for violations of board rules; adding restrictions for bingo halls, distributors, and manufacturers; providing more flexibility in denying a

license application to ensure the integrity of the lawful gambling industry; strengthening the gambling control board's enforcement ability by increasing licensing requirements; establishing the combined receipts tax as a lawful purpose expenditure; expanding definition of lawful purpose to include certain senior citizen activities, certain real estate taxes and assessments, and wildlife management projects; prohibiting the use of lawful purpose contributions by local governmental units in pension or retirement funds; exempting organizations with gross receipts of \$50,000 or less from the annual audit; expanding the definition of a class C license; making class C licensee reporting requirements quarterly; modifying the definition of allowable expense to include some advertising costs; eliminating additional compensation for the state lottery director; clarifying and strengthening the regulation of the conduct of bingo; prohibiting certain forms of gambling by persons under 18; modifying the definition of net profits for local assessments; prescribing penalties; amending Minnesota Statutes 1992, sections 240.13, subdivision 8; 240.25, by adding a subdivision; 240.26, subdivision 3; 299L.03, subdivisions 1 and 2; 299L.07, by adding a subdivision; 349.12, subdivisions 1, 3a, 4, 8, 11, 18, 19, 21, 23, 25, 30, 32, 34, and by adding a subdivision; 349.151, subdivision 4; 349.152, subdivisions 2 and 3; 349.153; 349.154, subdivision 2; 349.16, subdivisions 6 and 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1 and 4; 349.168, subdivisions 3 and 6; 349.169, subdivision 1; 349.17, subdivisions 2, 4, 5, and by adding a subdivision; 349.174; 349.18, subdivisions 1, 1a, and 2; 349.19, subdivisions 2, 5, 6, 8, and 9; 349.191, subdivisions 1, 4, and by adding a subdivision; 349.211, subdivisions 1 and 2; 349.2122; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and by adding a subdivision; 349.213, subdivision 1; 349A.03, subdivision 2; 349A.12, subdivisions 1, 2, 5, and 6; and 609.755; proposing coding for new law in Minnesota Statutes, chapters 471; and 609; repealing Minnesota Statutes 1992, sections 349A.03, subdivision 3; and 349A.08, subdivision 3.

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

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

S.F. No. 1135: A bill for an act relating to insurance; establishing and regulating the life and health guaranty association; providing for its powers and duties; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1992, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

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

Page 2, line 36, delete "*deferred*" and insert "*defined*"

Page 4, lines 33 and 35, delete "\$100,000" and insert "\$300,000"

Page 5, lines 1 and 9, delete "\$100,000" and insert "\$300,000"

Page 5, line 15, delete "or"

Page 5, line 17, delete "\$10,000,000" and insert "\$5,000,000"

Page 5, line 18, delete "deferred" and insert "defined"

Page 5, line 21, delete "\$10,000,000" and insert "\$5,000,000" in both places

Page 5, line 22, delete the period and insert a semicolon

Page 5, after line 22, insert:

"(6) for purposes of applying clause (2)(ii), with respect only to health insurance benefits, the term "any one life" applies to each individual covered by a health insurance policy;

(7) where covered contractual obligations are equal to or less than the limits stated in this subdivision, the association will pay the difference between the covered contractual obligations and the amount credited by the estate of the insolvent or impaired insurer, if that amount has been determined or, if it has not, the covered contractual limit, subject to the association's right of subrogation;

(8) where covered contractual obligations exceed the limits stated in this subdivision, the amount payable by the association will be determined as though the covered contractual obligations were equal to those limits. In making the determination, the estate shall be deemed to have credited the covered person the same amount as the estate would credit a covered person with contractual obligations equal to those limits; or

(9) the following illustrates how the principles stated in clauses (7) and (8) apply. The example illustrated concerns hypothetical claims subject to the limit stated in clause (2) (ii). The principles stated in clauses (7) and (8), and illustrated in this clause, apply to claims subject to any limits stated in this subdivision.

CONTRACTUAL OBLIGATIONS OF:

	\$50,000	
	Estate	Guaranty Association
0% recovery from estate	\$ 0	\$ 50,000
25% recovery from estate	\$ 12,500	\$ 37,500
50% recovery from estate	\$ 25,000	\$ 25,000
75% recovery from estate	\$ 37,500	\$ 12,500
	\$100,000	
	Estate	Guaranty Association
0% recovery from estate	\$ 0	\$100,000
25% recovery from estate	\$ 25,000	\$ 75,000
50% recovery from estate	\$ 50,000	\$ 50,000
75% recovery from estate	\$ 75,000	\$ 25,000

	\$200,000	
	<i>Estate</i>	<i>Guaranty Association</i>
0% recovery from estate	\$ 0	\$100,000
25% recovery from estate	\$ 50,000	\$ 75,000
50% recovery from estate	\$100,000	\$ 50,000
75% recovery from estate	\$150,000	\$ 25,000"

Page 5, after line 25, insert:

"Subd. 5. [LIMITED LIABILITY.] The liability of the association is strictly limited by the express terms of the covered policies and contracts and by the provisions of sections 61B.18 to 61B.32 and is not affected by the contents of any brochures, illustrations, advertisements, or oral statements by agents, brokers, or others used or made in connection with their sale. This limitation on liability does not prevent an insured from providing liability that is greater than the express terms of the covered policy or contract. The insured must bring an action to claim the greater liability no later than one year after entry of an order of rehabilitation, conservation, or liquidation. The association is not liable for any extra-contractual, exemplary, or punitive damages. The association is not liable for attorney fees or interest other than as provided for by the terms of the policies or contracts, subject to the other limits of sections 61B.18 to 61B.32."

Page 5, line 26, delete "5" and insert "6"

Page 6, line 15, delete "6" and insert "7"

Page 9, line 7, before the period, insert ", provided that 'premiums' shall not include any premiums in excess of \$5,000,000 on any unallocated annuity contract"

Page 9, line 9, delete "determined" and insert "initially determined by the commissioner or a court"

Page 15, line 34, delete "insured" and insert "insurer"

Page 16, line 26, after the period, insert "If another state or jurisdiction providing substantially similar coverage as provided by sections 61B.18 to 61B.32 denies coverage, the association shall provide coverage if the policyholder or contract holder is otherwise eligible, and the association is then subrogated to the rights of the person receiving benefits with respect to the other state or jurisdiction. If a person receiving benefits from the association has a claim remaining against another state or jurisdiction, whether or not such state or jurisdiction provides substantially similar protection within the meaning of this section, then such person's remaining claim has priority over any subrogation rights of the association with respect to that other state or jurisdiction."

Page 26, line 5, after "liquidation" insert ", conservation,"

Page 26, line 6, after "liquidator" insert ", conservator,"

Page 26, line 18, delete "by a member insurer"

Page 26, line 19, delete "occurrence" and insert "notice"

Page 26, line 27, after the period, insert "A determination or decision by the commissioner under sections 61B.18 to 61B.32 is not subject to the contested case or rulemaking provisions of chapter 14."

Page 28, line 1, after the period, insert "Nothing in this provision supersedes other requirements of law."

Page 33, line 21, delete "but not more than \$100,000" and insert "\$300,000"

Page 33, lines 22 and 24, delete "\$100,000" and insert "\$300,000"

Page 33, line 27, after "plans" insert ", other than defined benefit plans,"

Page 33, line 31, delete the second comma

Page 33, delete lines 32 to 34

Page 33, line 35, delete everything before the period

Page 35, line 2, delete "8" and insert "9"

Page 36, after line 12, insert:

"Sec. 16. Minnesota Statutes 1992, section 72A.20, is amended by adding a subdivision to read:

Subd. 30. [UNALLOCATED ANNUITY COVERAGE LIMITS.] No insurer, including any entities excluded from the definition of member insurer in section 3, subdivision 13, clauses (1) to (7), may sell or offer an unallocated annuity in an amount which exceeds coverage limits of the Minnesota life and health guaranty association act for unallocated annuities."

Page 37, after line 6, insert:

"Sec. 18. [APPLICATION.]

The rehabilitations of mutual benefit and executive life and any insolvencies, rehabilitations, or impairments which occur prior to August 1, 1993, are subject to Minnesota Statutes 1992, sections 61B.01 to 61B.16. Any policies or other contracts of insurance which are reformed, reissued, or which are replaced through administrative or judicial action as a result of any insolvency, rehabilitation, or impairment occurring prior to August 1, 1993, shall be subject to Minnesota Statutes, sections 61B.01 to 61B.16. Participants in a covered plan shall only be required to verify their status as residents and what the amount of money is in the unallocated annuity that represents their funds. Both these matters may be verified by the employer sponsoring the plan from plan records.

All rulings and interpretations of the commissioner of commerce relative to the obligation and duties of or coverage by the life and health guaranty association are hereby affirmed and shall apply to all covered contracts issued on or before August 1, 1993."

Page 37, line 14, before the period, insert ", provided that the coverage and limits applicable to unallocated annuity contracts issued before March 17, 1993, continue to be those provided under Minnesota Statutes, sections 61B.01 to 61B.16, with respect to any insurer that becomes impaired or

insolvent before or on the earliest of any maturity, renewal, extension, or withdrawal date of the contract'

Page 37, after line 19, insert:

“(c) After March 28, 1993, all insurance policies or contracts of any type purchased prior to August 1, 1993, are subject to Minnesota Statutes 1992, sections 61B.01 to 61B.16.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “amending Minnesota Statutes 1992, section 72A.20, by adding a subdivision;”

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 894: A bill for an act relating to agriculture; imposing licensing requirements for general merchandise storage warehouses; providing bond claim procedures; amending Minnesota Statutes 1992, sections 231.01, by adding a subdivision; 231.11; 231.12; 231.13; 231.14; 231.17; and 231.18; repealing Minnesota Statutes 1992, sections 231.19; 231.20; 231.21; 231.22; 231.23; 231.25; 231.26; 231.27; 231.29; 231.30; 231.31; and 231.33.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 231.01, is amended by adding a subdivision to read:

Subd. 9. [HOUSEHOLD GOODS.] “Household goods” means:

(a) personal effects and property used or to be used in a dwelling if it is part of the equipment or supply of the dwelling.

(b) furniture, fixtures, equipment, and the property of business places and institutions, public or private, when a part of the stock, equipment, supplies, or property of such establishments. It does not mean the storage of property of a business concern in the usual course of its business activities.

(c) articles which, because of their unusual nature or value, require specialized handling and equipment customarily employed in moving household goods.

Sec. 2. Minnesota Statutes 1992, section 231.11, is amended to read:

231.11 [SCHEDULE OF RATES; *STORING HOUSEHOLD GOODS.*]

In order to insure nondiscriminatory rates and charges for all depositors of household goods, the commissioner shall establish a collective rate-making procedure which will insure the publication and maintenance of just and

reasonable rates and charges under uniform, reasonably related rate structures. These procedures shall provide for the joint consideration, initiation, and establishment of rates and charges, and shall assure that the respective revenues and expenses of warehouse operators engaged in warehouse services for household goods are ascertained. Any participating warehouse operator party to a collectively mandated rate or charge has the right to petition the commissioner for the establishment of a rate or charge which deviates from the collectively set rate. Upon receiving the commissioner's approval, that warehouse operator may proceed to establish the requested rate or charge. All warehouse operators subject to rate regulation under this chapter must comply with the commissioner's rate-making procedures. No warehouse operator shall undertake to perform any service, or store any household goods, wares, or merchandise, until a schedule of rates has been filed and published in accordance with this chapter. In case of emergency, however, a service or storage not specifically covered by the schedules filed, may be performed or furnished at a reasonable rate, which must then be promptly filed, and which is subject to review in accordance with this chapter.

Sec. 3. Minnesota Statutes 1992, section 231.12, is amended to read:

231.12 [CHANGE OF RATES; *STORING HOUSEHOLD GOODS.*]

Unless the department otherwise orders, no warehouse operator storing household goods may change any rate except after ten days' notice to the department and to the public pursuant to this section. Notice shall be given by filing with the department and keeping open for public inspection new schedules or supplements stating plainly the changes to be made in the schedules then in force and the time when the changes will go into effect. The department for good cause shown, may, after hearing, allow changes without requiring the ten days' notice by an order specifying the changes to be made, the time when they shall take effect, and the manner in which they shall be filed and published.

Sec. 4. Minnesota Statutes 1992, section 231.13, is amended to read:

231.13 [CHARGING MORE OR LESS THAN THE PUBLISHED RATE; *STORING HOUSEHOLD GOODS.*]

Except as specified in sections 231.11 and 231.12, no warehouse operator storing household goods shall have, demand, collect, or receive, a greater or less or different compensation for any service rendered or for storing any household goods, wares, or merchandise than the rates applicable to such service or storage, as specified in the schedules of rates on file with the commissioner and in effect at the time.

When a warehouse operator shall have had household goods in store for such a period that the storage charges thereon accumulated are more than such household goods would bring at a forced sale, the department, upon written application and proof thereof, may authorize such warehouse operator to compromise such charges for a sum not less than the amount which such household goods would bring at such forced sale.

Sec. 5. Minnesota Statutes 1992, section 231.14, is amended to read:

231.14 [DISCRIMINATION IN RATES; *STORING HOUSEHOLD GOODS.*]

Except as herein otherwise specified, no warehouse operator *storing household goods*, or any officer, agent, or employee thereof, shall, directly or indirectly, by remittance, rebate, or any device, inducement, or other means, suffer or permit any corporation or person to obtain any service, or the storage of any *household goods, wares, or merchandise*, at less than the rates then established and in force as shown by the schedule of rates filed and in effect at the time. No person or corporation shall, directly or indirectly, by any device, inducement, or means, either with or without the consent or connivance of a warehouse operator *storing household goods*, or any of the officers, agents, or employees thereof, obtain, or seek to obtain, any service, or the storage of any *household goods, wares, or merchandise*, at less than the rates then established and in force therefor. Any warehouse operator *storing household goods*, or the officers, agents, or employees thereof, or any person acting for or employed by it, or transacting business with it, or any other person, who shall violate any provision of this section, shall be guilty of a gross misdemeanor; and, upon conviction, subject to imprisonment not exceeding one year or to a fine not exceeding \$3,000, or both.

Sec. 6. Minnesota Statutes 1992, section 231.17, is amended to read:

231.17 [BONDS OF WAREHOUSE OPERATORS.]

Every warehouse operator applying for and receiving a license from the department, as provided for in this chapter, shall file with the department, acceptable to the department, a surety bond to the state of Minnesota. Such bonds shall be in an amount to be determined by the department as reasonable for the applicant but shall not be less than \$10,000 and.

The commissioner shall, after a study of the existing bonding structure and after consultation with the warehousing industry, adopt rules for bonding. The rules must be adopted by April 1, 1994.

The bond shall be conditioned for the faithful discharge of all duties as a warehouse operator operating under this chapter, and full compliance with the laws of the state and rules and orders of the department relative thereto. Failure to maintain the bond as required shall void the license.

The bond must be continuous until canceled. To cancel a bond, the surety must provide 90 days' written notice of the bond's termination date to the licensee and the department.

In lieu of the bond required by this section, the applicant may deposit with the state treasurer cash; a certified check; a cashier's check; a postal, bank, or express money order; assignable bonds or notes of the United States; or an assignment of bank savings account or investment certificate or an irrevocable bank letter of credit as defined in section 336.5-103, in the same amount as would be required for a bond.

Sec. 7. Minnesota Statutes 1992, section 231.18, is amended to read:

231.18 [PROCEEDINGS BEFORE THE DEPARTMENT; HOW COMMENCED CLAIMS AGAINST A BOND.]

Proceedings before the department against any warehouse operator shall be instituted by complaint, verified as pleadings in a civil action, stating in ordinary language the facts constituting the alleged omission or offense. The parties to such proceeding shall be termed, respectively, complainant and respondent. Subdivision 1. [FILING A CLAIM.] A depositor claiming to be

damaged by the breach of an agreement to store general merchandise and household goods must file a claim with the department within 180 days of the date of breach.

Subd. 2. [FORM OF CLAIM.] All claims must be in writing, must state the facts upon which the claim is based, must include any supporting evidence, and must be signed by the claimant. The supporting evidence may consist of, but is not limited to, a bill of lading, a warehouse receipt, a contract form, correspondence, or photographs.

Subd. 3. [WHERE TO FILE.] All claims must be filed at the following address: Minnesota Department of Agriculture, Grain Licensing and Auditing Division, 316 Grain Exchange Building, Minneapolis, Minnesota 55415.

Subd. 4. [BOND LIMITATIONS.] The bonds are not cumulative from one year to the next. A claim against the bond may only be made against the bond in effect at the time the agreement is breached. A bond is not liable for claims filed after 180 days from the date of the breach of the bond.

Subd. 5. [PUBLIC NOTICE OF A CLAIM.] Upon determining that a depositor has filed a valid claim, the department shall publish notice of the claim in the official county newspaper of the county in which the licensee's place of business is located.

The notice must state that a claim against the bond of a licensee has been filed with the department, the name and address of the licensee; that any additional claims should be filed with the department, the bond disbursement date, and where the claims should be filed.

The public notice of the claim must appear for three consecutive days in newspapers with a daily circulation and for two consecutive publications in newspapers published less than daily.

Subd. 6. [BOND DISBURSEMENT.] (a) Upon expiration of the claim filing period, the department shall promptly determine the validity of all claims filed and notify the claimants of the determination. An aggrieved party may appeal the department's determination by requesting, within 15 days, that the department initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment promptly to those claimants entitled to payment.

(b) If a warehouse operator has become liable to more than one depositor by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all depositors entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

Sec. 8. [REPEALER.]

Minnesota Statutes 1992, sections 231.19; 231.20; 231.21; 231.22; 231.23; 231.25; 231.26; 231.27; 231.29; 231.30; 231.31; and 231.33, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; imposing licensing requirements for general merchandise storage warehouses; providing bond claim procedures; amending Minnesota Statutes 1992, sections 231.01, by adding a

subdivision; 231.11; 231.12; 231.13; 231.14; 231.17; and 231.18; repealing Minnesota Statutes 1992, sections 231.19; 231.20; 231.21; 231.22; 231.23; 231.25; 231.26; 231.27; 231.29; 231.30; 231.31; and 231.33.”

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

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

S.F. No. 1097: A bill for an act relating to trusts; prohibiting trustees from exercising certain powers; proposing coding for new law in Minnesota Statutes, chapter 501B.

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

Page 2, line 9, after the second “of” insert “final”

Page 2, lines 20, 25, and 30, after “created” insert “on or” and after the second “of” insert “final”

Page 3, line 6, after “created” insert “on or” and after the second “of” insert “final”

Page 3, lines 7 and 8, delete “at” and insert “on” and after “of” insert “final”

Page 3, line 11, after “trustee” insert “on or” and delete “its effective date” and insert “the date of final enactment”

Page 3, after line 11, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

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

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

S.F. No. 673: A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 257.69, subdivision 1; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, and 12; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 541.04; 548.09, subdivision 1; 548.091, subdivision 3a; 550.01; 588.20; 595.02, subdivision 1; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

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

Page 2, after line 16, insert:

“Sec. 2. Minnesota Statutes 1992, section 144.4175, subdivision 4, is amended to read:

Subd. 4. [WAIVER OF PRIVILEGE.] Any privilege otherwise created in section 595.02, *subdivision 1*, clauses ~~(d)~~, (e), ~~(g)~~ (f), (h), and ~~(j)~~ (k), with respect to persons who make a report under subdivision 1, is waived regarding any information about a carrier as a health threat to others or about a carrier's noncompliant behavior in any investigation or action under sections 144.4171 to 144.4186.”

Page 8, after line 34, insert:

“Sec. 12. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 8. [MEDICAL PROVIDER INCENTIVE.] (a) An incentive to the providers of medical services is created for the purpose of increasing the numbers of signed and notarized recognition of parentage forms completed in the medical setting.

(b) A bonus of \$25 shall be paid to each medical provider for each properly completed recognition of parentage form sent to the department of vital statistics.

(c) The office of vital statistics shall make the bonus payment to each medical provider and notify the department of human services quarterly of the numbers of completed forms received and the amounts paid.

(d) The department of human services shall remit quarterly to the office of vital statistics the sums paid to each medical provider for the number of signed recognition of parentage forms completed by that medical provider and sent to the office of vital statistics.

(e) The commissioner's of the department of human services and the department of health shall develop procedures for the implementation of this provision.”

Page 18, line 30, delete “41” and insert “43”

Page 24, line 9, delete “100” and insert “1000”

Page 35, line 26, delete “41” and insert “43”

Page 48, after line 17, insert:

“Sec. 56. Minnesota Statutes 1992, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (e) (d).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

(d) Any person mandated to report shall, upon request to the local welfare agency, receive a summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 57. Minnesota Statutes 1992, section 626.556, subdivision 8, is amended to read:

Subd. 8. [EVIDENCE NOT PRIVILEGED.] No evidence relating to the neglect or abuse of a child or to any prior incidents of neglect or abuse involving any of the same persons accused of neglect or abuse shall be excluded in any proceeding arising out of the alleged neglect or physical or sexual abuse on the grounds of privilege set forth in section 595.02, subdivision 1, paragraph (a), ~~(d)~~ (e), or ~~(g)~~ (h)."

Page 49, after line 25, insert:

"Sec. 62. [APPROPRIATION.]

Subdivision 1. \$19,000 is appropriated from the general fund to the commissioner of human services to establish statewide contracts for process serving for fiscal year 1994.

Subd. 2. \$36,000 in fiscal year 1994, and \$36,000 in fiscal year 1995 is appropriated from the general fund to the commissioner of human services to increase state parent locate capability.

Subd. 3. \$224,000 in fiscal year 1994, and \$219,000 in fiscal year 1995 is appropriated from the general fund to the commissioner of human services for the bonus given to medical providers.

Sec. 63: [CARRYOVER AUTHORITY.]

The unencumbered balance of appropriations for the child support restructuring initiative for fiscal year 1994 does not cancel but is available to the commissioner for fiscal year 1995.

Page 49, line 32, delete "18, 19, and 31" and insert "20, 21, and 33"

Page 49, line 35, delete "50, 52, 53, and 58" and insert "52, 54, 55, and 64"

Page 50, line 2, delete "33 and 34" and insert "35 and 36"

Page 50, line 3, delete "46 to 49" and insert "48 to 51"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

Page 1, line 6, after the first semicolon, insert "144.4175, subdivision 4;"

Page 1, line 17, delete "and"

Page 1, line 18, after the semicolon, insert "and 626.556, subdivisions 3 and 8;"

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

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

S.F. No. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions;

256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2o, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

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

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

S.F. No. 415: A bill for an act relating to housing; requiring owner to furnish a tenant with a copy of a written lease; requiring disclosure of contract for deed cancellation or mortgage foreclosure sale; requiring disclosure of inspection and condemnation orders; modifying procedure for tenant file disclosure by tenant screening services; modifying low-income housing; providing penalties; amending Minnesota Statutes 1992, sections 504.22, subdivision 2; 504.29, by adding a subdivision; 504.30, subdivision 1; 504.33, subdivision 5; 504.34, subdivisions 1 and 2; and 566.18, subdivisions 2 and 7; proposing coding for new law in Minnesota Statutes, chapter 504.

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

Page 7, line 26, delete "50" and insert "30" and delete "county in which the" and insert "metropolitan area as defined in section 473.121, subdivision 2"

Page 7, line 27, delete "*rental housing is located*"

Page 7, delete lines 28 and 29

Page 7, after line 34, insert:

"Sec. 8. Minnesota Statutes 1992, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; or (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure.

"Displace" does not include downsizing large apartment complexes by demolishing some of the units in the complex or by eliminating units through reconfiguration and expansion of individual units. For the purpose of this section, "large apartment complex" means two or more buildings containing a total of 30 or more units.

Sec. 9. Minnesota Statutes 1992, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means rental housing that is:

(1) the lesser of (i) the number and corresponding size of low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units. *Depending on demonstrated need, displaced units may be replaced by larger units except that efficiency and single room occupancy units may not be replaced by units of a larger size;*

(2) low-income housing for the ~~greater of at least 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended.~~ This section does not prohibit increases in rent to cover operating expenses;

(3) in at least standard condition; and

(4) located in the city where the displaced low-income housing units were located.

Replacement housing may be provided as newly constructed housing, or rehabilitated *housing that was previously unoccupied or vacant and in condemnable conditions* or rent subsidized existing housing that does not already qualify as low-income housing.

Notwithstanding the above requirements, public housing units which are a part of a disposition plan approved by the Department of Housing and Urban Development automatically qualify as replacement housing for public housing units which are displaced."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "subdivision 5" and insert "subdivisions 3, 5, and 7"

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which was referred the following appointment as reported in the Journal for January 19, 1993:

METROPOLITAN COUNCIL
CHAIR

Dottie M. Rietow

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

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which were referred the following appointments as reported in the Journal for January 28, 1993:

METROPOLITAN COUNCIL

Barbara Butts

METROPOLITAN WASTE CONTROL COMMISSION
CHAIR

Louis R. Clark

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

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which were referred the following appointments as reported in the Journal for February 1, 1993:

METROPOLITAN COUNCIL

Martha M. Head

Mary Hill Smith

Patrick Leung

Esther Newcome

Stephen B. Wellington

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

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

Mr. Marty from the Committee on Ethics and Campaign Reform, to which were referred the following appointments as reported in the Journal for January 28, 1993:

STATE ETHICAL PRACTICES BOARD

Elsa Carpenter
Carolyn Deshon Rodriguez

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

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

Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred the following appointment as reported in the Journal for April 19, 1993:

STATE ETHICAL PRACTICES BOARD

John L. Holahan, Jr.

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

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

SECOND READING OF SENATE BILLS

S.F. Nos. 103, 894, 1097 and 415 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Riveness moved that S.F. No. 611, No. 23 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Riveness moved that S.F. No. 807, No. 24 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Kroening moved that S.F. No. 255, No. 31 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

CALENDAR

S.F. No. 44: A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mrs. Benson, J.E. and Ms. Robertson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 181: A bill for an act relating to limited liability companies; clarifying the application of financial institution, workers' compensation, unemployment compensation, taxation, and usury laws; modifying certain powers of, and rules applicable to, limited liability companies and their members and affiliates; creating an agricultural limited liability companies task force; amending Minnesota Statutes 1992, sections 48.24, subdivisions 1, 7, and 8; 51A.02, subdivision 43; 176.011, subdivision 10; 176.041, subdivision 1a; 268.04, subdivision 9; 268.161, subdivision 9; 290.92, subdivision 1; 297A.01, subdivision 2; 302A.011, subdivision 25; 302A.161, subdivision 12; 302A.501, subdivision 1; 302A.521, subdivision 1; 302A.551, subdivision 3; 302A.673, subdivision 1; 319A.02, subdivision 7; 322B.03, subdivision 41, and by adding subdivisions; 322B.115, subdivisions 1 and 2; 322B.20, subdivisions 5, 7, 12, 14, and 21; 322B.30, subdivisions 2 and 3; 322B.306, subdivisions 1, 3, and 4; 322B.31, subdivision 3; 322B.313; 322B.316; 322B.323, subdivision 2; 322B.373, subdivision 1; 322B.54, subdivision 3; 322B.693, subdivision 1; 322B.696; 322B.699, subdivision 1; 322B.77, subdivisions 1 and 3; 322B.80, subdivision 1, and by adding a subdivision; 322B.873; 322B.91, subdivision 1; 322B.92; 322B.93; 322B.935, subdivisions 2 and 3; and 334.021; proposing coding for new law in Minnesota Statutes, chapter 322B.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 376: A bill for an act relating to the state board of investment; management of funds under board control; amending Minnesota Statutes 1992, sections 11A.08, subdivision 4; 11A.14, subdivisions 1, 2, 4, and 5; 11A.24, subdivisions 1 and 4; 69.77, subdivision 2g; 69.775; 116P.11; 352.96, subdivision 3; 356.24, subdivision 1; and 424A.06, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 507: A bill for an act relating to patient and resident rights; providing patients and residents with the option to disclose their presence in a facility; amending Minnesota Statutes 1992, sections 144.651, subdivisions 2, 21, and 26; and 253B.03, subdivisions 3 and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 163: A bill for an act relating to crimes; modifying requirements for the dispensing of controlled substance; amending Minnesota Statutes 1992, sections 152.01, by adding a subdivision; and 152.11.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1296: A bill for an act relating to Pine county; permitting the county board to extend certain temporary land use controls.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 703: A bill for an act relating to drainage; defining as "repair" certain incidental straightening of tiles and use of larger tile sizes under certain circumstances; amending Minnesota Statutes 1992, section 103E.701, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 692: A bill for an act relating to insurance; workers' compensation; regulating the minimum deposit requirements for self-insurers; amending Minnesota Statutes 1992, section 79A.04, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 981: A bill for an act relating to human services; clarifying and changing license evaluation requirements and certain restrictions on businesses providing certain adult foster care services; changing the billing cycle and collection retention for certain human services programs; modifying conditions for the Minnesota family investment plan; changing the name of the hearing impaired services act and the council for the hearing impaired; changing requirements for child protection training and clarifying maltreatment reporting; amending Minnesota Statutes 1992, sections 245A.04, subdivision 6; 256.019; 256.025, subdivision 3; 256.033, subdivision 1; 256.034, subdivision 1; 256.0361, subdivision 1; 256C.21; 256C.22; 256C.23, subdivisions 2, 3, and by adding a subdivision; 256C.24; 256C.25, subdivision 1; 256C.26; 256C.27; 256C.28; 268.871, subdivision 1; 626.556, subdivisions 10 and 11; 626.559, subdivisions 1 and 1a; and 626.5591.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 70: A bill for an act relating to state lands; authorizing a conveyance to the city of St. Cloud of certain land owned by the state as a part of St. Cloud State University.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Frederickson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 722: A bill for an act relating to human services; directing the commissioner of human services to obtain federal waivers under the AFDC program; proposing coding for new law in Minnesota Statutes, chapter 256.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 520: A bill for an act relating to retirement; authorizing a second chance Medicare coverage referendum for certain public pension plan members.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 414: A bill for an act relating to transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; establishing an advisory council on metropolitan governance; amending Minnesota Statutes 1992, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.373, subdivision 4a; 473.399, subdivision 1; 473.3993; 473.3994, subdivisions 2, 3, 4, 5, 7, and by adding subdivisions; 473.3996; 473.3997; 473.3998; 473.4051; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1992, sections 473.399, subdivisions 2 and 3; 473.3991; 473.3994, subdivision 6; Laws 1991, chapter 291, article 4, section 20.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mrs. Pariseau, Mr. Riveness and Ms. Robertson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 737: A bill for an act relating to motor vehicles; requiring vehicle owner to transfer certificate of title upon gaining ownership to motor vehicle; allowing registrar to research records before responding to phone request; amending Minnesota Statutes 1992, sections 168.10, subdivision 1; 168.34; and 168A.30, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 207: A bill for an act relating to occupations and professions; boards of social work and marriage and family therapy; providing for data classifications and providing certain immunities for supervisors and persons reporting violations; changing board membership; adding certain licensing requirements to the board of social work; amending Minnesota Statutes 1992, sections 13.99, subdivision 49; 148B.04, by adding a subdivision; 148B.08, subdivision 1, and by adding a subdivision; 148B.18, subdivisions 8 and 10; 148B.19, subdivisions 1 and 2; 148B.21, subdivisions 3, 4, 5, 6, and by adding a subdivision; 148B.26, subdivision 1; 148B.27, by adding a subdivision; and 148B.28, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 75: A bill for an act relating to crime; eliminating need to show a child was substantially harmed by neglect; imposing a felony for neglect or endangerment that substantially harms a child's physical, mental, or emotional health; amending Minnesota Statutes 1992, section 609.378, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1141: A bill for an act relating to cities; allowing the use of self-insurance funds or pools to satisfy statutory bond requirements; amending Minnesota Statutes 1992, section 471.981, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 225: A bill for an act relating to worker's compensation; regulating eligibility for assigned risk plan coverage; amending Minnesota Statutes 1992, section 79.252, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 241: A bill for an act relating to human services; modifying reimbursement procedures for group residential housing; amending Minnesota Statutes 1992, sections 256I.05, by adding a subdivision; and 256I.06.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Flynn	Johnston	Lesewski
Anderson	Betzold	Frederickson	Kelly	Lessard
Beckman	Chandler	Hanson	Kiscaden	Luther
Belanger	Chmielewski	Hottinger	Knutson	Marty
Benson, D.D.	Cohen	Janezich	Krentz	McGowan
Benson, J.E.	Day	Johnson, D.E.	Kroening	Merriam
Berg	Dille	Johnson, D.J.	Laidig	Metzen
Berglin	Finn	Johnson, J.B.	Larson	Moe, R.D.

Mondale	Oliver	Price	Runbeck	Stevens
Morse	Olson	Ranum	Sams	Stumpf
Murphy	Pappas	Reichgott	Samuelson	Terwilliger
Neuville	Piper	Riveness	Solon	Vickerman
Novak	Pogemiller	Robertson	Spear	Wiener

So the bill passed and its title was agreed to.

S.F. No. 784: A bill for an act relating to crime; authorizing collection of fines from inmates' wages; providing that a parent of a victim of harassment who is a minor may seek a restraining order in district court; amending Minnesota Statutes 1992, sections 241.26; subdivision 5; and 609.748, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 536: A bill for an act relating to sheriffs; imposing on sheriffs a duty to investigate snowmobile accidents; amending Minnesota Statutes 1992, sections 84.86, subdivision 1; 84.872; and 387.03.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1244: A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1199: A bill for an act relating to labor and employment; advisory councils; extending the expiration date of labor and employment related advisory councils; amending Minnesota Statutes 1992, sections 79.51, subdivision 4; 175.008; 178.02, subdivision 2; 182.656, subdivision 3; 268.363; and 326.41.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Samuelson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 386: A bill for an act relating to drivers' licenses; raising fee for two-wheeled vehicle endorsement; amending Minnesota Statutes 1992, section 171.06, subdivision 2a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Chandler; Johnson, D.J.; Sams and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 560: A bill for an act relating to the hospital construction moratorium, extending the moratorium; amending Minnesota Statutes 1992, section 144.551, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 782: A bill for an act relating to health; expanding medical assistance coverage to include nutritional supplementation products; amending Minnesota Statutes 1992, section 256B.0625, subdivision 13.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1400: A bill for an act relating to Nobles and Murray counties; permitting the consolidation of the offices of auditor and treasurer.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Finn	Johnson, D.E.	Laidig	Sams
Dille	Frederickson	Kiscaden	Morse	

So the bill passed and its title was agreed to.

H.F. No. 79: A bill for an act relating to courts; grandparent visitation; clarifying that visitation may be sought after completion of proceedings for dissolution, custody, legal separation, annulment, or parentage; amending Minnesota Statutes 1992, sections 257.022, subdivision 2; and 518.175, subdivision 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Benson, J.E.	Chandler	Finn	Janezich
Anderson	Berg	Chmielewski	Flynn	Johnson, D.E.
Beckman	Berglin	Cohen	Frederickson	Johnson, D.J.
Belanger	Bertram	Day	Hanson	Johnson, J.B.
Benson, D.D.	Betzold	Dille	Hottinger	Johnston

Kelly	Luther	Murphy	Pogemiller	Samuelson
Kiscaden	Marty	Neuville	Price	Solon
Knutson	McGowan	Novak	Ranum	Spear
Krentz	Merriam	Oliver	Reichgott	Stevens
Kroening	Metzen	Olson	Rivness	Stumpf
Laidig	Moe, R.D.	Pappas	Robertson	Terwilliger
Larson	Mondale	Pariseau	Runbeck	Vickerman
Lesewski	Morse	Piper	Sams	Wiener

So the bill passed and its title was agreed to.

S.F. No. 384: A bill for an act relating to creditors remedies; regulating executions and garnishments; providing that executions and garnishments on child support judgments are effective until the judgments are satisfied; exempting child support payments from execution; amending Minnesota Statutes 1992, sections 550.135, subdivision 10; 550.136, subdivisions 3, 4, and 5; 550.143, subdivision 3; 550.37, subdivision 15; 551.04, subdivisions 2 and 11; 551.05, subdivision 1a; 551.06, subdivisions 3, 4, and 5; 570.025, subdivision 6; 570.026, subdivision 2; 571.72, subdivision 7; 571.73, subdivision 3; 571.912; 571.922; and 571.923.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 469: A bill for an act relating to drivers' licenses; providing that physical requirements to obtain school bus endorsement for driver's license are satisfied by possession of medical examiner's certificate required for commercial vehicle drivers; amending Minnesota Statutes 1992, section 171.321, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Benson, J.E.	Chandler	Finn	Janezich
Anderson	Berg	Chmielewski	Flynn	Johnson, D.E.
Beckman	Berglin	Cohen	Frederickson	Johnson, D.J.
Belanger	Bertram	Day	Hanson	Johnson, J.B.
Benson, D.D.	Betzold	Dille	Hottinger	Johnston

Kelly	Luther	Neuville	Ranum	Stevens
Kiscaden	Marty	Novak	Reichgott	Stumpf
Knutson	McGowan	Oliver	Riveness	Terwilliger
Krentz	Merriam	Olson	Robertson	Vickerman
Kroening	Metzen	Pappas	Runbeck	Wiener
Laidig	Moe, R.D.	Pariseau	Sams	
Larson	Mondale	Piper	Samuelson	
Lesewski	Morse	Pogemiller	Solon	
Lessard	Murphy	Price	Spear	

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 1089: A bill for an act relating to elections; setting the date by which Hennepin county park reserve district redistricting must take place; amending Minnesota Statutes 1992, section 383B.68, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1074: A bill for an act relating to elections; requiring publication and posting of notice of filing dates by county auditors; amending Minnesota Statutes 1992, section 204B.33.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 461: A bill for an act relating to local government; authorizing cities to offer rewards for information leading to the apprehension, arrest, or conviction of alleged felons; proposing coding for new law in Minnesota Statutes, chapter 471.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Riveness introduced—

S.F. No. 1617: A bill for an act relating to education; post-secondary education; authorizing bonds and appropriating money to complete certain capital improvements at Normandale Community College.

Referred to the Committee on Education.

Mr. Beckman introduced—

S.F. No. 1618: A bill for an act relating to taxation; property; allowing the reduced class rate on commercial and industrial property to apply to the first \$100,000 of market value on property in each county; amending Minnesota Statutes 1992, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse, Dille, Ms. Flynn, Messrs. Benson, D.D. and Johnson, D.J. introduced—

S.F. No. 1619: A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting,

fishing, and gathering rights under treaty; non-band harvest under band permit; authority to transfer land; compensation to counties; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

MEMBERS EXCUSED

Mr. Langseth was excused from the Session of today. Ms. Reichgott was excused from the Session of today from 8:30 to 10:30 a.m. Mr. Novak was excused from the Session of today from 9:30 to 11:10 a.m. Mr. Stumpf was excused from the Session of today from 9:30 to 10:00 a.m. Ms. Olson was excused from the Session of today from 12:45 to 1:05 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Thursday, April 22, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FIRST DAY

St. Paul, Minnesota, Thursday, April 22, 1993

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Priscilla Ojala.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 974, 1169, 1398, 1442 and 1709.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 21, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 974: A bill for an act relating to the capitol area architectural and planning board; clarifying certain duties and powers of the board; amending Minnesota Statutes 1992, section 15.50, subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1013, now on General Orders.

H.F. No. 1169: A bill for an act relating to metropolitan government; requiring the transit commission to obtain consent to use parkways; amending Minnesota Statutes 1992, section 473.411, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1228, now on General Orders.

H.F. No. 1398: A bill for an act relating to traffic regulations; directing commissioner of transportation to study and report on traffic safety improvement measures in residential neighborhoods.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1264, now on General Orders.

H.F. No. 1442: A bill for an act relating to the city of Columbia Heights; exclusions from salary in computing police relief association retirement benefits; permitting a contribution with interest by a member for past service with the city; amending Laws 1977, chapter 374, section 8, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 980, now on General Orders.

H.F. No. 1709: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

Mr. Moe, R.D. moved that H.F. No. 1709 be laid on the table. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 163:

H.F. No. 163: A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports

by certain solicitors of campaign contributions; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public subsidy to match in-district contributions; clarifying filing requirements for candidate agreements and the duration of the agreements; requiring return of public subsidies under certain conditions; imposing contribution limits on candidates for local offices; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring a report of candidates on whose behalf political contributions have been refunded by the state; defining certain terms; clarifying certain language; appropriating money; amending Minnesota Statutes 1992, sections 10A.01, subdivision 10c, and by adding a subdivision; 10A.04, by adding a subdivision; 10A.065, subdivision 1; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.19, subdivision 1; 10A.20, subdivision 3, and by adding a subdivision; 10A.25, by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.31, subdivisions 6, 8, and by adding a subdivision; 10A.322, subdivisions 1 and 2; 10A.324, subdivisions 1 and 3; 211B.15; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; 211A; and 211B.

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

Sparby, Lasley, Ostrom, Pawlenty and Long have been appointed as such committee on the part of the House.

House File No. 163 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 21, 1993

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 163, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1407: A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating an instructional telecommunications network; providing for grants from the higher education coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; authorizing the state board of

community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; establishing grant programs to promote recruitment and retention initiatives by nurses training and teacher education programs directed toward persons of color; establishing grant programs for nursing students and students in teacher education programs who are persons of color; establishing an education to employment transitions system; amending Minnesota Statutes 1992, sections 136A.101, subdivisions 1 and 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; 136A.233, subdivisions 2 and 3; 136C.13, subdivision 4; 136C.61, subdivision 7; and 137.022, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; proposing coding for new law as Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 17; and 136A.134.

Senate File No. 1407 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 21, 1993

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 1407, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 338: A bill for an act relating to economic development; creating Minnesota Business Finance, Inc. to provide capital for commercial borrowers through the Small Business Administration; providing for powers and duties of a board of directors and employees; transferring funds from the certified development company established under the department of trade and economic development to the new corporation; proposing coding for new law as Minnesota Statutes, chapter 116S; repealing Minnesota Statutes 1992, sections 41A.065 and 116J.985.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 19, 1993, be amended to read:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 416: A bill for an act relating to elections; providing for a presidential primary by mail; changing the date of the presidential primary; increasing the filing fee for an affidavit of candidacy; changing certain duties and procedures; amending Minnesota Statutes 1992, sections 204B.45, subdivision 3, and by adding a subdivision; 207A.01; 207A.02, subdivision 1a; 207A.03; 207A.04, subdivision 3; 207A.06, subdivision 2; 207A.08; and 207A.09; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1992, section 207A.07.

Reports the same back with the recommendation that the report from the Committee on Ethics and Campaign Reform, shown in the Journal for April 19, 1993, be amended to read:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 868: A bill for an act relating to human services; adding conditions on availability of funds; changing conditions on adoption assistance agreement; changing reimbursement of costs; determining program funding; amending Minnesota Statutes 1992, sections 259.40, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, and by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Family Services, shown in the Journal for April 15, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 615: A bill for an act relating to human rights; providing for protection for disabled persons in employment; clarifying permissible absenteeism under the “reasonable accommodation” clause; extending the time frame from 45 to 90 days for bringing a civil action after a “no probable cause” determination; providing for the right to a jury trial; amending Minnesota Statutes 1992, sections 363.01, subdivision 13; 363.02, subdivision 5; 363.03, subdivision 1; 363.14, subdivision 2; and 363.117.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 14, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 891: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1992, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Jobs, Energy and Community Development, shown in the Journal for April 16, 1993, be amended to read:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 34: A bill for an act relating to student exchange programs; regulating student exchange programs; imposing a penalty; proposing coding for new law as Minnesota Statutes, chapter 5A.

Reports the same back with the recommendation that the report from the Committee on Crime Prevention, shown in the Journal for April 19, 1993, be adopted; that committee recommendation being:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 53: A bill for an act relating to labor; regulating employment of children; establishing a child labor curfew; providing penalties; amending Minnesota Statutes 1992, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Jobs, Energy and Community Development, shown in the Journal for April 16, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

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

H.F. No. 427 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
427	585				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 427 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 427 and insert the language after the enacting clause of S.F. No. 585, the first engrossment; further, delete the title of H.F. No. 427 and insert the title of S.F. No. 585, the first engrossment.

And when so amended H.F. No. 427 will be identical to S.F. No. 585, and further recommends that H.F. No. 427 be given its second reading and substituted for S.F. No. 585, and that the Senate file be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 868, 615 and 53 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 427 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Johnson, J.B. moved that the name of Ms. Anderson be added as a co-author to S.F. No. 970. The motion prevailed.

Mr. Betzold moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1315. The motion prevailed.

Mr. Novak moved that the name of Ms. Anderson be added as a co-author to S.F. No. 1437. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Frederickson be added as a co-author to S.F. No. 1467. The motion prevailed.

Ms. Hanson moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 1524. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. McGowan in the chair.

After some time spent therein, the committee arose, and Mr. McGowan reported that the committee had considered the following:

S.F. Nos. 872, 639, 1161, 1060, 1315, 1006, 636, 1152 and 1171, which the committee recommends to pass.

S.F. No. 122, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 1, lines 25 and 26, delete the new language

Page 2, lines 1 to 3, delete the new language and insert "If there is a reduction in funding, the remaining funds under this paragraph will be allocated proportionately to each Head Start grantee based on the proportion of state funding that was allocated to that grantee in fiscal year 1993."

The motion prevailed. So the amendment was adopted.

S.F. No. 1129, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 13, after line 36, insert:

"Sec. 20. Minnesota Statutes 1992, section 48.61, subdivision 3, is amended to read:

Subd. 3. The bank or trust company may invest not to exceed ten percent of its capital and surplus in shares of stock in any banks or bank holding companies wherein the ownership of stock in of the banks or bank holding companies is ~~restricted to owned exclusively by bank holding companies or banks and at least 51 percent of the voting stock is owned or controlled by bank holding companies or banks authorized to do business in the state of Minnesota.~~"

Page 22, line 24, delete "the"

Page 22, line 26, delete "contracts" and insert "contract"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 105, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 2, line 15, delete "Sections 1 to 3 are" and insert "Section 1 is" and delete "apply" and insert "applies"

Page 2, line 16, after the period, insert "Section 2 is effective retroactively to April 30, 1992."

The motion prevailed. So the amendment was adopted.

S.F. No. 1221, which the committee recommends to pass with the following amendment offered by Mr. Murphy:

Page 5, after line 24, insert:

"Sec. 6. Minnesota Statutes 1992, section 169.64, is amended by adding a subdivision to read:

Subd. 9. [WARNING LAMPS ON VEHICLES COLLECTING SOLID WASTE.] *A vehicle used to collect solid waste may be equipped with a single amber gaseous discharge warning lamp that meets the Society of Automotive Engineers standard J 1318, Class 2. The lamp may be operated only when the collection vehicle is in the process of collecting solid waste and is either:*

- (1) *stopped at an establishment where solid waste is to be collected; or*
- (2) *traveling at a speed that is at least ten miles per hour below the posted*

speed limit and moving between establishments where solid waste is to be collected."

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "authorizing warning lamps on solid waste collection vehicles;"

Page 1, line 11, delete "and" and before the period, insert "; and 169.64, by adding a subdivision"

The motion prevailed. So the amendment was adopted.

H.F. No. 546, which the committee recommends to pass with the following amendment offered by Ms. Kiscaden:

Amend H.F. No. 546, the unofficial engrossment, as follows:

Page 1, delete line 13 and insert "*all-terrain vehicles, motorcycles, or four-wheel drive trucks*"

Page 1, line 14, delete "*subdivision 1,*"

Page 1, after line 15, insert:

"Sec. 2. [84.93] [LAND USE FOR CERTAIN VEHICLES RESTRICTED.]

After June 1, 1993, the commissioner may not allow the use of additional state lands or acquire private lands for operation of all-terrain vehicles, motorcycles, or four-wheel drive trucks, without approval of the county board within which the use is proposed."

Page 1, line 16, delete "2" and insert "3"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 429, which the committee recommends to pass, subject to the following motions:

Mr. Solon moved to amend S.F. No. 429 as follows:

Page 4, after line 35, insert:

"Sec. 8. Minnesota Statutes 1992, section 340A.308, is amended to read:
340A.308 [PROHIBITED TRANSACTIONS.]

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

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

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

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;

(3) *renting advertising space from a retailer at a cost of up to \$25 per month, if the space is not in a portion of the licensed premises where alcoholic beverages are served;*

(4) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) (5) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail; or

(5) (6) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only.”

Page 11, line 21, delete “*and designated as the Dusty Eagle,*”

Page 11, after line 29, insert:

“Sec. 21. [STILLWATER ON-SALE LICENSE.]

Subdivision 1. [AUTHORITY.] Notwithstanding Minnesota Statutes, section 340A.413, or any other law, the city of Stillwater may issue one additional on-sale intoxicating liquor license to a hotel located within the city. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective on approval by the Stillwater city council and compliance with Minnesota Statutes, section 645.021.

Sec. 22. [AITKIN COUNTY; OFF-SALE LICENSE.]

Subdivision 1. [AUTHORIZED.] Notwithstanding any provision of Minnesota Statutes, section 340A.405, subdivision 2, the Aitkin county board may issue one off-sale liquor license to a premises located in Farm Island township. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section shall apply to this license.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective on approval by the Aitkin county board and compliance with Minnesota Statutes, section 645.021.

Sec. 23. [PINE COUNTY ON-SALE LICENSE.]

Subdivision 1. [AUTHORITY.] Notwithstanding Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d), Pine county may issue one Sunday on-sale intoxicating liquor license to a licensed premises located in Barry township upon approval by the voters of the town at a special election under Minnesota Statutes, section 340A.504, subdivision 3, paragraph (d).

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective on approval by

the Pine county board and compliance with Minnesota Statutes, section 645.021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 429 as follows:

Pages 2 and 3, delete section 2

Page 11, delete lines 33 and 34 and insert:

"Sections 2 to 7, 10 to 12, and 19 are effective July 1, 1993."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "reciprocity in"

Page 1, line 3, delete everything before "changing"

Page 1, line 34, delete "chapters 297C; and" and insert "chapter"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 45, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Frederickson	McGowan	Olson	Runbeck
Benson, J.E.	Johnson, D.E.	Neuville	Pariseau	Stevens
Berglin	Kiscaden	Oliver	Robertson	Terwilliger
Flynn				

Those who voted in the negative were:

Adkins	Day	Krentz	Metzen	Price
Anderson	Finn	Kroening	Moe, R.D.	Reichgott
Belanger	Hanson	Langseth	Mondale	Riveness
Berg	Hottinger	Larson	Morse	Sams
Bertram	Janezich	Lesewski	Murphy	Samuelson
Betzold	Johnson, D.J.	Lessard	Novak	Solon
Chandler	Johnson, J.B.	Luther	Pappas	Spear
Chmielewski	Johnston	Marty	Piper	Vickerman
Cohen	Knutson	Merriam	Pogemiller	Wiener

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

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

Senate File No. 1570 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 21, 1993

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 1570, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 1377: A bill for an act relating to state government; making certain telephone records and budgets public information; amending Minnesota Statutes 1992, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; and 10.

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

Delete everything after the enacting clause and insert:

“Section 1. [3.13] [EXPENSE REPORTS.]

Quarterly detailed reports of expenditures made by the house of representatives and the senate shall be reported to their respective committees on rules and administration. The house of representatives and the senate shall adopt an appropriate rule to implement this requirement.

Sec. 2. [10.43] [BUDGETS; INFORMATION.]

The budgets of the house of representatives, the senate, each constitutional officer, the district courts, court of appeals, and supreme court shall be public information and shall be divided into expense categories. The categories shall include, among others, travel expenses and telephone expenses.

Sec. 3. [10.44] [ELECTED OFFICIALS: TELEPHONE RECORDS.]

The records of publicly owned telephones under the control of elected officials, including senators, representatives, constitutional officers, and judges, are public data, except that recordings of telephone conversations between individuals and elected officials are private data.

Sec. 4. [10.45] [TELEPHONE SERVICE; OVERSIGHT.]

Each member or employee of the house of representatives shall report any evidence of misuse of long distance telephone service to the director of house administrative services. Each member or employee of the senate shall report any evidence of misuse of long distance telephone service to the secretary of the senate. Each constitutional officer, head of an executive branch department or agency, or other state employee shall report any evidence of misuse of long distance telephone service to the commissioner of administration.

Sec. 5. Laws 1989, chapter 335, article 1, section 15, subdivision 3, is amended to read:

Subd. 3: Information Management

\$5,836,000 \$5,759,000

Summary by Fund

General	\$1,678,000	\$1,601,000
Special Revenue	\$4,158,000	\$4,158,000

The appropriation from the special revenue fund is for recurring costs of 911 emergency telephone service.

\$201,100 the first year and \$205,800 the second year must be subtracted from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A, in order to fund the local government records program and the intergovernmental information systems activity.

\$1,000,000 in contributed capital is transferred from the computer services fund to the telecommunications fund.

The commissioner shall study the feasibility of contracting for disaster recovery services from nonstate sources.

~~Notwithstanding any law to the contrary, legislators' telephone records are private data.~~

Sec. 6. [INVESTIGATION OF RECORDS.]

Legislators' long distance telephone records, including WATS service, for 1991 and 1992 shall be provided in accordance with Minnesota Statutes, section 8.16 or 388.23, to the Ramsey county attorney or the attorney general to the extent necessary to complete any investigation. Failure to comply with a request without just cause subjects the person who fails to comply to contempt of court."

Delete the title and insert:

"A bill for an act relating to elected officials; making telephone records public data; providing oversight for legislative expenses; amending Laws 1989, chapter 335, article 1, section 15, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3; and 10."

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 521: A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the report from the Committee on Health Care, shown in the Journal for April 19, 1993, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

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

was referred under Joint Rule 2.03, together with the committee report thereon.

S.F. No. 1403: A bill for an act relating to utilities; expanding duties of chair of public utilities commission; amending Minnesota Statutes 1992, section 216A.03, subdivision 3a.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Reform, shown in the Journal for April 15, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

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

S.F. No. 408: A bill for an act relating to taxation; real property; providing additional information with the proposed notices; amending Minnesota Statutes 1992, section 275.065, subdivision 3.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

PROPERTY TAXES

Section 1. Minnesota Statutes 1992, section 16A.712, is amended to read:

16A.712 [LOCAL GOVERNMENT TRUST; APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year years 1993 and subsequent years, 1994, and 1995 are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

- (1) attached machinery aid to counties under section 273.138;
- (2) in fiscal year 1993 only, supplemental homestead credit under section 273.1391;
- (3) \$560,000 in fiscal year 1993 and \$300,000 annually in fiscal years 1994 and 1995 for tax administration;
- (4) \$105,000 annually to the commissioner of finance in fiscal years 1993; 1994, and 1995 to administer the trust fund;
- (5) \$25,000 annually to the advisory commission on intergovernmental relations in fiscal years 1993, 1994, and 1995 to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate;
- (6) \$350,000 in fiscal year 1993 and \$1,200,000 annually in fiscal years 1994 and 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participa-

tion and ongoing oversight of the legislative commission on planning and fiscal policy; and

(7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education.

(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year years 1993 and subsequent years, 1994, and 1995 to finance intergovernmental aid formulas or programs prescribed by law.

(c) After June 30, 1995, payments for the purposes described in paragraph (a), clause (1), and paragraph (b), must be made from the general fund.

(d) Any money remaining in the local government trust fund on July 1, 1995, must be credited to the general fund.

Sec. 2. Minnesota Statutes 1992, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [~~ADJUSTED GROSS TAX CAPACITY; ADJUSTED NET TAX CAPACITY.~~] (a) [~~COMPUTATION.~~] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine ~~an aggregate equalized gross tax capacity and an aggregate equalized net tax capacity~~ for the various classes of taxable property in each school district, which tax capacity shall be designated as ~~the adjusted gross tax capacity and the adjusted net tax capacity, respectively.~~ *The adjusted net tax capacities shall be determined using the net tax capacity percentages in effect for the assessment year following the assessment year of the study. The department of revenue shall make whatever estimates are necessary to the property value data to accommodate changes in the classification scheme.* The department of revenue may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining ~~the adjusted gross tax capacity and the adjusted net tax capacity.~~ On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of ~~adjusted gross tax capacities and adjusted net tax capacities.~~ On or before April 15 annually, the department of revenue shall file its final report on the ~~adjusted gross tax capacities and adjusted net tax capacities~~ established by the previous year's ~~assessment assessments and the current year's net tax capacity percentages~~ with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for determination of local tax rates. A copy of the report so filed shall be mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [~~METHODOLOGY.~~] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general meth-

odology with specific procedures necessary for execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. For purposes of this section, section 270.12, subdivision 2, clause (8), and section 278.05, subdivision 4, the commissioner of revenue shall exclude from the assessment/sales ratio study the sale of any nonagricultural property which does not contain an improvement, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment.

(c) [AGRICULTURAL LANDS.] For purposes of determining the ~~adjusted gross tax capacity and~~ adjusted net tax capacity of agricultural lands for the calculation of ~~adjusted gross tax capacities and~~ adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

(d) [FORCED SALES.] The commissioner may include forced sales in the assessment/sales ratio studies if it is determined by the commissioner that these forced sales indicate true market value.

(e) [STIPULATED VALUES.] *The estimated market value to be used in calculating sales ratios shall be the value established by the assessor before any stipulations resulting from appeals by property owners.*

(f) [SALES OF INDUSTRIAL PROPERTY.] *Separate sales ratios shall be calculated for commercial property and for industrial property. These two classes shall be combined only in jurisdictions in which there is not an adequate sample of sales in each class.*

Sec. 3. Minnesota Statutes 1992, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The commissioner shall:

(a) provide mediation services as requested by the parties until the parties reach agreement. The commissioner may continue to assist parties after they have submitted their final positions for interest arbitration;

(b) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(c) maintain a list of arbitrators for referral to employers and exclusive representatives for the resolution of grievance or interest disputes;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner;

(e) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(f) adopt rules relating to the administration of this chapter; and the conduct of hearings and elections;

(g) receive, catalogue, and file all decisions of arbitrators and panels authorized by sections 179A.01 to 179A.25, all grievance arbitration deci-

sions, and the commissioner's orders and decisions. All decisions catalogued and filed shall be readily available to the public;

(h) adopt, subject to chapter 14, a grievance procedure to fulfill the purposes of section 179A.20, subdivision 4. The grievance procedure shall not provide for the services of the bureau of mediation services. The grievance procedure shall be available to any employee in a unit not covered by a contractual grievance procedure;

(i) conduct elections;

(j) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(k) collect such fees as are established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges;

(l) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner;

(m) provide to the parties a list of arbitrators as required by section 179A.16, subdivision 4;

(n) adopt, subject to chapter 14, uniform baseline determination documents and uniform collective bargaining agreement settlement documents applicable to all negotiations between exclusive representatives of appropriate units of public employees and public employers other than townships and prescribe procedures and instructions for completion of the documents. *The commissioner must, at a minimum, include these individual elements in the uniform determination document: the costs of any increases to the wage schedule; the costs of employees moving through the wage schedule; costs of medical insurance; costs of dental insurance; costs of life insurance; lump sum payments; shift differentials; extra-curricular activities; longevity; and contributions to a deferred compensation account. The calculation of the base year must be based on an annualization of the costs provided in the base year contract.* A completed uniform collective bargaining agreement settlement document must be presented to the public employer at the time it ratifies a collective bargaining agreement and must be available afterward for inspection during normal business hours at the principal administrative offices of the public employer; and

(o) from the names provided by representative organizations, maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 125.12 or 125.17. The persons on the list shall meet at least one of the following requirements:

(1) be a former or retired judge;

(2) be a qualified arbitrator on the list maintained by the bureau;

(3) be a present, former, or retired administrative law judge; or

(4) be a neutral individual who is learned in the law and admitted to practice in Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party.

Each year, the Minnesota education association shall provide a list of seven names, the Minnesota federation of teachers a list of seven names, and the Minnesota school boards association a list of 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list.

Sec. 4. Minnesota Statutes 1992, section 204D.19, is amended by adding a subdivision to read:

Subd. 5. [PROHIBITION.] No special election shall be held under this section on the second Tuesday in December.

Sec. 5. Minnesota Statutes 1992, section 205.10, is amended by adding a subdivision to read:

Subd. 3. [PROHIBITION.] No special election shall be held under this section on the second Tuesday in December.

Sec. 6. Minnesota Statutes 1992, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. A special election may not be held during the 30 days before and the 30 days after the state primary or state general election, *or on the second Tuesday in December*. In addition, a special election may not be held during the 20 days before and the 20 days after any regularly scheduled election of a municipality wholly or partially within the school district. Notwithstanding any other law to the contrary, the time period in which a special election must be conducted under any other law may be extended by the school board to conform with the requirements of this subdivision.

Sec. 7. Minnesota Statutes 1992, section 272.01, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivision 2 shall not apply to:

(a) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(b) Real estate exempt from ad valorem taxes and taxes in lieu thereof which is leased, loaned, or otherwise made available to telephone companies or electric, light and power companies upon which personal property consisting of transmission and distribution lines is situated and assessed pursuant to sections 273.37, 273.38, 273.40 and 273.41, or upon which are situated the communication lines of express, railway, telephone or telegraph companies, ~~and~~ *or* pipelines used for the transmission and distribution of

petroleum products, or the equipment items of a cable communications company subject to sections 238.35 to 238.42;

(c) Property presently owned by any educational institution chartered by the territorial legislature;

(d) Indian lands;

(e) Property of any corporation organized as a tribal corporation under the Indian Reorganization Act of June 18, 1934, (Statutes at Large, volume 48, page 984);

(f) Real property owned by the state and leased pursuant to section 161.23 or 161.431, and acts amendatory thereto;

(g) Real property owned by a seaway port authority on June 1, 1967, upon which there has been constructed docks, warehouses, tank farms, administrative and maintenance buildings, railroad and ship terminal facilities and other maritime and transportation facilities or those directly related thereto, together with facilities for the handling of passengers and baggage and for the handling of freight and bulk liquids, and personal property owned by a seaway port authority used or usable in connection therewith, when said property is leased to a private individual, association or corporation, but only when such lease provides that the said facilities are available to the public for the loading and unloading of passengers and their baggage and the handling, storage, care, shipment, and delivery of merchandise, freight and baggage and other maritime and transportation activities and functions directly related thereto, but not including property used for grain elevator facilities; it being the declared policy of this state that such property when so leased is public property used exclusively for a public purpose, notwithstanding the one-year limitation in the provisions of section 273.19;

(h) Notwithstanding the provisions of clause (g), when the annual rental received by a seaway port authority in any calendar year for such leased property exceeds an amount reasonably required for administrative expense of the authority per year, plus promotional expense for the authority not to exceed the sum of \$100,000 per year, to be expended when and in the manner decided upon by the commissioners, plus an amount sufficient to pay all installments of principal and interest due, or to become due, during such calendar year and the next succeeding year on any revenue bonds issued by the authority, plus 25 percent of the gross annual rental to be retained by the authority for improvement, development, or other contingencies, the authority shall make a payment in lieu of real and personal property taxes of a reasonable portion of the remaining annual rental to the county treasurer of the county in which such seaway port authority is principally located. Any such payments to the county treasurer shall be disbursed by the treasurer on the same basis as real estate taxes are divided among the various governmental units, but if such port authority shall have received funds from the state of Minnesota and funds from any city and county pursuant to Laws 1957, chapters 648, 831, and 849 and acts amendatory thereof, then such disbursement by the county treasurer shall be on the same basis as real estate taxes are divided among the various governmental units, except that the portion of such payments which would otherwise go to other taxing units shall be divided equally among the state of Minnesota and said county and city.

Sec. 8. Minnesota Statutes 1992, section 272.02, subdivision 1, is amended to read:

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

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

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
- (c) personal property defined in section 272.03, subdivision 2, clause (3);
- (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;
- (e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 274.19, subdivision 8, paragraph (f); and
- (f) flight property as defined in section 270.071.
- (9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment

used in a business or production activity that at common law is considered real property.

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

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

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

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

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general

limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

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

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

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

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

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

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

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

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

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care,

work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

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

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

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

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

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

(25) *A structure that is situated on real property that is used for: (i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or (ii) housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and which meets each of the following criteria:*

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 1992, section 272.02, subdivision 4, is amended to read:

Subd. 4. [CONVERSION TO EXEMPT OR TAXABLE USES:] (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to July 1 of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by July 1, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired by a governmental entity, institution of public charity, church, or educational institution before July 1 of the year is exempt for that assessment year if (1) the property is to be used for an exempt purpose under subdivision 1, clauses (1) to (7), and (2) the property is not subject to the filing requirement under section 272.025.

Sec. 10. Minnesota Statutes 1992, section 272.115, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 1a, Whenever any real estate is sold for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located within 30 days of the sale when the deed or other document is presented for recording. Contract for deeds are subject to recording under section 507.235, subdivision 1. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any

lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.

Sec. 11. Minnesota Statutes 1992, section 272.115, subdivision 4, is amended to read:

Subd. 4. No real estate sold or transferred on or after January 1, 1993, under subdivision 4a / shall be classified as a homestead, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale or transfer of the property.

Sec. 12. Minnesota Statutes 1992, section 273.061, subdivision 8, is amended to read:

Subd. 8. [POWERS AND DUTIES.] The county assessor shall have the following powers and duties:

(1) To call upon and confer with the township and city assessors in the county, and advise and give them the necessary instructions and directions as to their duties under the laws of this state, to the end that a uniform assessment of all real property in the county will be attained.

(2) To assist and instruct the local assessors in the preparation and proper use of land maps and record cards, in the property classification of real and personal property, and in the determination of proper standards of value.

(3) To keep the local assessors in the county advised of all changes in assessment laws and all instructions which the assessor receives from the commissioner of revenue relating to their duties.

(4) To have authority to require the attendance of groups of local assessors at sectional meetings called by the assessor for the purpose of giving them further assistance and instruction as to their duties.

(5) To immediately commence the preparation of a large scale topographical land map of the county, in such form as may be prescribed by the commissioner of revenue, showing thereon the location of all railroads, highways and roads, bridges, rivers and lakes, swamp areas, wooded tracts, stony ridges and other features which might affect the value of the land. Appropriate symbols shall be used to indicate the best, the fair, and the poor land of the county. For use in connection with the topographical land map, the assessor shall prepare and keep available in the assessor's office tables showing fair average minimum and maximum market values per acre of cultivated, meadow, pasture, cutover, timber and waste lands of each township. The assessor shall keep the map and tables available in the office for the guidance of town assessors, boards of review, and the county board of equalization.

(6) To also prepare and keep available in the office for the guidance of town assessors, boards of review and the county board of equalization, a land valuation map of the county, in such form as may be prescribed by the commissioner of revenue. This map, which shall include the bordering tier of

townships of each county adjoining, shall show the average market value per acre, both with and without improvements, as finally equalized in the last assessment of real estate, of all land in each town or unorganized township which lies outside the corporate limits of cities.

(7) To regularly examine all conveyances of land outside the corporate limits of cities of the first and second class, filed with the county recorder of the county, and keep a file, by descriptions, of the considerations shown thereon. From the information obtained by comparing the considerations shown with the market values assessed, the assessor shall make recommendations to the county board of equalization of necessary changes in individual assessments or aggregate valuations.

(8) To prepare annually and keep available in the assessor's office for the guidance of boards of review and the county board of equalization, a table showing the market value per capita of all personal property in each assessment district in the county as finally equalized in the last previous assessment of personal property. For the guidance of the county board of equalization, the assessor shall also add to the table the market value per capita of all personal property of each assessment district for the current year as equalized by the local board of review.

(9) To become familiar with the values of the different items of personal property so as to be in a position when called upon to advise the boards of review and the county board of equalization concerning property, market values thereof.

(10) While the county board of equalization is in session, to give it every possible assistance to enable it to perform its duties. The assessor shall furnish the board with all necessary charts, tables, comparisons, and data which, it requires in its deliberations, and shall make whatever investigations the board may desire.

(11) At the request of either the board of county commissioners or the commissioner of revenue, to investigate applications for reductions of valuation and abatements and settlements of taxes, examine the real or personal property involved, and submit written reports and recommendations with respect to the applications, in such form as may be prescribed by the board of county commissioners and commissioner of revenue.

(12) To make diligent search each year for real and personal property which has been omitted from assessment in the county, and report all such omissions to the county auditor.

(13) To regularly confer with county assessors in all adjacent counties about the assessment of property in order to uniformly assess and equalize the value of similar properties and classes of property located in adjacent counties. The conference shall emphasize the assessment of agricultural and commercial and industrial property or other properties that may have an inadequate number of sales in a single county.

(14) To render such other services pertaining to the assessment of real and personal property in the county as are not inconsistent with the duties set forth in this section, and as may be required by the board of county commissioners or by the commissioner of revenue.

(15) To maintain a record, in conjunction with other county offices, of all transfers of property to assist in determining the proper classification of

property, including but not limited to transferring homestead property and name changes on homestead property.

(16) To determine if a homestead application is required due to the transfer of homestead property or an owner's name change on homestead property.

Sec. 13. Minnesota Statutes 1992, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in ~~subdivisions 6, 8, 9, 11, and 14~~ this section or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, platted property shall be assessed as provided in subdivision 14. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 14. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 1a. [LIMITED MARKET VALUE.] After determining the value of any property, the assessor shall compare that value with an average value determined under this subdivision. For taxes levied in 1993 only, the average value is the average of the values determined under subdivision 1 for taxes levied in 1992 and for taxes levied in 1993. For taxes levied in 1994 and subsequent years, the average value is the average of the values determined under subdivision 1 for taxes levied in the current year and the two preceding years. The value subject to taxation shall be the lesser of the value determined under subdivision 1, or the average value determined under this subdivision. For purposes of the assessment/sales ratio study conducted under section 124.2131, market values determined under subdivision 1 shall be used. For purposes of the computation of state aids paid under chapters 124, 124A, 273, and 477A, limited market values determined under this subdivision shall be used.

Sec. 15. Minnesota Statutes 1992, section 273.11, subdivision 5, is amended to read:

Subd. 5. [LIMITATIONS ON REVIEW OF VALUATION.] Notwithstanding any other provision of law to the contrary, the limitation contained in ~~subdivision~~ subdivisions 1 and 1a shall also apply to the authority of the local board of review as provided in section 274.01, the county board of equalization as provided in section 274.13, the state board of equalization and the commissioner of revenue as provided in sections 270.11, 270.12 and 270.16.

Sec. 16. Minnesota Statutes 1992, section 273.11, subdivision 6a, is amended to read:

Subd. 6a. [RESIDENTIAL FIRE-SAFETY SPRINKLER SYSTEMS.] For purposes of property taxation, the market value of automatic fire-safety sprinkler systems installed in existing buildings after January 1, 1992 meeting the standards of the Minnesota fire code shall be excluded from the market value of (1) existing multifamily residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence and (2) existing real estate containing four or more contiguous residential units for use by customers of the owner, such as hotels, motels, and lodging houses and (3) existing office buildings or mixed use commercial-residential buildings, in which at least one story capable of occupancy is at least 75 feet above the ground. The market value exclusion under this section shall expire if the property is sold.

Sec. 17. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 15. [VACANT HOSPITALS.] *In valuing a hospital, as defined in section 144.50, subdivision 2, that is located outside of a metropolitan county, as defined in section 473.121, subdivision 4, and that on the date of sale is vacant and not used for hospital purposes or for any other purpose, the assessor's estimated market value for taxes levied in the year of the sale shall be no greater than the sales price of the property, including both the land and the buildings, as adjusted for terms of financing. If the sale is made later than December 15, the market value as determined under this subdivision shall be used for taxes levied in the following year.*

Sec. 18. Minnesota Statutes 1992, section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is known to the assessor, otherwise the occupant of the property. The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain the amount of the valuation in terms of market value, including both the market value determined under section 273.11, subdivision 1, and the limited market value determined under section 273.11, subdivision 1a, the new classification, the assessor's office address, and the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any assessor who is not provided sufficient funds from the assessor's governing

body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and, if satisfied that the assessor does not have the necessary funds, issue a certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 19. Minnesota Statutes 1992, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, spouse, grandparent, grandchild, brother, or sister, ~~uncle, or aunt~~. This relationship may be by blood or marriage. Property that was classified as seasonal recreational residential property at the time when treatment under this paragraph would first apply shall continue to be

classified as seasonal recreational residential property for the first two ~~three~~ assessment years beginning after the date when the relative of the owner occupies the property as a homestead; this delay also applies to property that, in the absence of this paragraph, would have been classified as seasonal recreational residential property at the time when the residence was constructed. Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative. ~~In the case of a residence located on agricultural land, only the house, garage, and immediately surrounding one acre of land shall be classified as a homestead under this paragraph.~~ *Agricultural property that is classified as a homestead under this paragraph qualifies in its entirety as class 2a property, provided that this treatment is available only for one property owned by an individual and occupied by a relative of that individual.*

Sec. 20. Minnesota Statutes 1992, section 273.124, is amended by adding a subdivision to read:

Subd. 6a. [PRELIMINARY APPROVAL OF LEASEHOLD COOPERATIVES.] Preliminary approval for classification as a leasehold cooperative may be granted to property when a developer proposes to construct one or more residential dwellings or buildings using funds provided by the Minnesota housing finance agency if all of the following conditions are met:

(a) The developer must present an affidavit to the county attorney and to the governing body of the municipality that includes a statement of the developer's intention to comply with all requirements in subdivision 6, and a detailed description of the plan for doing so.

(b) The commissioner of the Minnesota housing finance agency must provide the county attorney and governing body with a description of the financing and related terms the commissioner proposes to provide with respect to the project, together with an objective assessment of the likelihood that the project will comply with the requirements of subdivision 6.

(c) The county attorney must review the materials provided under paragraphs (a) and (b), and may require the developer or the Minnesota housing finance agency to provide additional information. If the county attorney determines that it is reasonably likely that the project will meet the requirements of this subdivision, the county attorney shall provide preliminary approval to treatment of the property as a leasehold cooperative.

(d) The governing body shall conduct a public hearing as provided in subdivision 6, paragraph (j), and make its preliminary findings based on the information provided by the developer and the Minnesota housing finance agency.

Upon completion of the project and creation of the leasehold cooperative, actual compliance with the requirements of this subdivision must be demonstrated, and certified by the county attorney. A second hearing by the governing body is not required.

If the county attorney finds that the homestead treatment granted pursuant to a preliminary approval under this subdivision must be revoked because the completed project failed to meet the requirements of this subdivision, the benefits of the treatment shall be recaptured. The county assessor shall determine the amount by which the tax imposed on the property was reduced because it was treated as a leasehold cooperative. The developer shall be

charged an amount equal to the tax reduction received or, if the county attorney determines that the failure to meet the requirements was due to the developer's intentional disregard of the requirements, 150 percent of the tax reduction received. The penalty must be paid to the county treasurer within 90 days after receipt of a statement from the treasurer. The proceeds of the penalty shall be distributed to the local taxing jurisdictions in proportion to the amounts of their levies on the property.

Sec. 21. Minnesota Statutes 1992, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by ~~June~~ **June** December 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor under section 273.063, in writing, ~~prior to June~~ **prior to June** by December 15 of the year of occupancy in order to qualify under this subdivision. The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead by ~~June~~ **June** December 1 of a year.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

If homestead classification has not been requested as of December 15, the assessor will classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, may be entitled to receive homestead classification by proper application as provided in section 375.192.

The county assessor ~~shall~~ **may** publish in a newspaper of general circulation within the county ~~no later than June 1~~ **no later than June 1** of each year a notice ~~informing~~ **requesting** the public ~~of the requirement~~ to file an application for homestead ~~prior to June 15~~ **as soon as practicable after acquisition of a homestead, but no later than December 15.**

The county auditor shall publish in a newspaper of general circulation within the county no later than December 1 of each year a notice informing the public of the requirement to file an application for homestead by December 15.

Sec. 22. Minnesota Statutes 1992, section 273.124, is amended by adding a subdivision to read:

Subd. 17. [PROPERTY UNDERGOING RENOVATION.] *Property that is not occupied as a homestead on the assessment date will be classified as a homestead if it meets each of the following requirements on that date:*

(a) *The structure is a single family or duplex residence.*

(b) *The property is owned by a church or an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.*

(c) The organization is in the process of renovating the property for use as a homestead by an individual or family whose income is no greater than 60 percent of the county or area gross median income, adjusted for family size, and that renovation process and conveyance for use as a homestead can reasonably be expected to be completed by the end of the calendar year.

The organization must apply to the assessor for classification under this subdivision within 30 days of its acquisition of the property, and must provide the assessor with the information necessary for the assessor to determine whether the property qualifies.

Sec. 23. Minnesota Statutes 1992, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. If the market value of the house, garage, and surrounding one acre of land is less than \$115,000, the value of the remaining land including improvements equal to the difference between \$115,000 and the market value of the house, garage, and surrounding one acre of land has a net class rate of ~~45~~ .35 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over \$115,000 of market value that does not exceed 320 acres has a net class rate of ~~43~~ 1.0 percent of market value, and a gross class rate of 2.25 percent of market value. The remaining property over the \$115,000 market value in excess of 320 acres has a class rate of ~~46~~ 1.4 percent of market value, and a gross class rate of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; ~~and~~ (2) real estate that is not improved with a structure and is used exclusively for growing trees for timber, lumber, and wood and wood products, if the owner has participated or is participating in a cost-sharing program for afforestation, reforestation, or timber stand improvement on that particular property, administered or coordinated by the commissioner of natural resources; and (3) real estate that is nonhomestead agricultural land. Class 2b property has a net class rate of 1.6 percent of market value, except that nonhomestead agricultural land has a net class rate of 1.4 percent and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in state or federal farm programs. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(d) Real estate of less than ten acres used principally for raising or cultivating agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

(e) The term "agricultural products" as used in this subdivision includes:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections

18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1); and

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing.

(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 24. Minnesota Statutes 1992, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property and utility real and personal property, except class 5 property as identified in subdivision 31, clause (1), is class 3a. It has a class rate of ~~3-3~~ 3 percent of the first \$100,000 of market value for taxes payable in 1990, ~~3-2~~ 3-2 percent for taxes payable in 1991, ~~3-1~~ 3-1 percent for taxes payable in 1992, and three percent for taxes payable in 1993 and thereafter, and 5.06 percent of the market value over \$100,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$100,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$100,000 of market value, *except that:*

(1) if the market value of the parcel is less than \$100,000, and additional parcels are owned by the same person or entity in the same city or town within that county, the reduced class rate shall be applied up to a combined total market value of \$100,000 for all parcels owned by the same person or entity in the same city or town within the county; and

(2) in the case of grain, fertilizer, and feed elevator facilities, the limitation to one parcel per owner per county for the reduced class rate shall not apply, but there shall be a limit of \$100,000 of preferential value per site of contiguous parcels owned by the same person or entity. For purposes of this subdivision, contiguous parcels include parcels separated only by a railroad or public road right-of-way.

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and has a class rate of 2.3 percent of the first \$50,000 of market value and 3.6 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the class rate of the first \$100,000 of market value and the class rate of the remainder is determined under paragraph (a), unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

Sec. 25. Minnesota Statutes 1992, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of ~~3.5 percent of market value for taxes payable in 1992~~, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of ~~2.8 percent of market value for taxes payable in 1992~~, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act or the Minnesota housing finance agency law of 1971, as amended, or rules promulgated by the agency and financed by a direct federal loan or federally insured loan made pursuant to Title II of the Act; or

(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules adopted by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.

This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1990; or (ii) meets the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents unless the owner of the property elects to have the property assessed under Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii), (3), and (4) may apply to the assessor for valuation under Laws 1991, chapter 291, article 1, section 55. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units. This clause applies only to the property of a nonprofit or limited dividend entity.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics:

- (a) it is a nonprofit corporation organized under chapter 317A;
- (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws;
- (c) it limits membership with voting rights to residents of the designated community; and
- (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The first \$100,000 of the market value of the remainder of the cabins or units and a proportionate share of the land on which they are located shall have a class

rate of three percent. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the second year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that (i) for each parcel of seasonal residential recreational property not used for commercial purposes under clause (5) ~~has a class rate of 2.2 percent of market value for taxes payable in 1992, and for taxes payable in 1993 and thereafter,~~ the first \$72,000 of market value on each parcel has a class rate of two percent and the market value of each parcel that exceeds \$72,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (8) have a class rate of two percent for taxes payable in 1993 and 1994 only.

(d) Class 4d property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. For property for which application is made for 4c or 4d classification for taxes payable in 1994 and thereafter, and which was not classified 4c or 4d for taxes payable in 1993 those properties, 4c or 4d classification is available only for those units meeting the requirements of section 273.1318.

Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) For taxes payable in 1992, 1993 and 1994, only, buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the assessor to determine qualification under this clause.

(3) Qualifying buildings and appurtenances, together with the land upon which they are located, leased for a period of up to five years by the occupant under a lease-purchase program administered by the Minnesota housing finance agency or a housing and redevelopment authority authorized under sections 469.001 to 469.047, provided the occupant's income is no greater than 80 percent of the county or area median income, adjusted for family size, and the building consists of two or less dwelling units. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. The administering agency shall verify the occupants income eligibility and certify to the county assessor that the occupant meets the income criteria under this paragraph. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. For purposes of this section, "qualifying buildings and appurtenances" shall be defined as one or two unit residential buildings which are unoccupied and have been abandoned and boarded for at least six months.

Class 4d property has a class rate of two percent of market value.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b); clauses (1) and (3); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class rate applicable to it

under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 26. Minnesota Statutes 1992, section 273.13, subdivision 33, is amended to read:

Subd. 33. [CLASSIFICATION OF UNIMPROVED PROPERTY.] (a) ~~Except as provided in paragraph~~ *All real property that is not improved with a structure must be classified according to its current use.*

(b) ~~Real property that is not improved with a structure and for which there is no identifiable current use~~ must be classified according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the unimproved land based upon the use made of surrounding land or land in proximity to the unimproved land.

~~(b) Real property that is not improved with a structure and is in commercial, industrial, or agricultural use under this section must be classified according to its actual use.~~

Sec. 27. Minnesota Statutes 1992, section 273.1318, subdivision 1, is amended to read:

Subdivision 1. [INCOME LIMITATION.] (a) Subject to the exception in paragraph (b), for a building for which application is made for class 4c for taxes payable in 1994 and thereafter, and which was not class 4c for taxes payable in 1993, only those units occupied by a household whose income is 100 percent or less of the county or area median income adjusted for family size as determined by the department of housing and urban development are eligible for class 4c.

(b) For a building for which application is made for class 4c for taxes payable in 1994 and thereafter, ~~and which was not class 4c for taxes payable in 1993, but~~ for which a formal application was received by a local, state, or federal agency for financing, refinancing, or insurance before July 1, 1992, ~~and for a building that was classified as class 4c for taxes payable in 1993 or an earlier year,~~ the income limit is 100 percent or less of county or area median income not adjusted for family size as determined by the department of housing and urban development.

Sec. 28. Minnesota Statutes 1992, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing

jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; the class rate applied to noncommercial seasonal recreational residential property shall be 2.25 percent; and the class rates applied to portions of class 1a, 1b, and 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000; for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent; and the class rate applicable to class 2b and that portion of class 2a over \$115,000 market value and in excess of 320 acres shall be 1.6 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. Any reclassification of property by Laws 1991, chapter 291, shall not be considered in determining net tax capacity for aids payable in 1992. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and

(3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

- (5) work readiness under section 256D.03, subdivision 2;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;
- (9) work readiness services under section 256D.051;
- (10) case management services under section 256.736, subdivision 13;
- (11) general assistance claims processing, medical transportation and related costs; and
- (12) medical assistance, medical transportation and related costs.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing

jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a.

Sec. 29. Minnesota Statutes 1992, section 273.1398, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION.] (a) An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity, except aid provided under subdivisions 4 and 5 for fiscal year 1993 only, is annually appropriated from the general fund to the commissioner of education. An amount sufficient to pay the aids and credits provided under this section for counties, cities, towns, and special taxing districts, except as provided under paragraph (b), is ~~annually~~ *annually appropriated in 1993 and 1994 from the local government trust fund and annually thereafter from the general fund* to the commissioner of revenue. A jurisdiction's aid amount may be increased or decreased based on any prior year adjustments for homestead credit or other property tax credit or aid programs.

(b) An amount sufficient to pay the aid provided under subdivision 5a is appropriated four percent from the local government trust fund and 96 percent from the general fund in fiscal year 1993 and entirely from the general fund in fiscal year 1994 and thereafter.

Sec. 30. Minnesota Statutes 1992, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. *For hearings held in 1993 only, the notice must clearly state that each taxing authority holding a public meeting will present information for discussion at that meeting regarding the compensation*

paid to its employees in the current and the next succeeding budget year, and how those amounts relate to its property tax levies.

(d) The notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year, *including both the market value determined under section 273.11, subdivision 1, and the limited market value determined under section 273.11, subdivision 1a*; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 31. Minnesota Statutes 1992, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city that has a population of more than 1,000, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

For a city that has a population of more than 1,000 but less than 2,500 The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 14 point, and the second headline must be in a type no smaller than 12 point. The text of the advertisement must be no smaller than 10 point, except that the property tax amounts and percentages may be in 9-point type.

For a city that has a population of 2,500 or more, a county or a school district, the first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 30 point, and the second headline must be in a type no smaller than 22 point. The text of the advertisement must be no smaller than 14 point, except that the property tax amounts and percentages may be in 12-point type.

The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district may include references to the current budget in regard to proposed property taxes.

“NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of

The governing body of will soon hold budget hearings and vote on the

property taxes for (city/county services that will be provided in 199 __ /school district services that will be provided in 199 __ and 199 __).

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address)."

(c) A city with a population of 1,000 or less must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

(d) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 4A.02.

(e) The commissioner of revenue, subject to the approval of the chairs of the house of representatives tax committee and senate taxes and tax laws committee, shall prescribe the form and format of the advertisement.

(f) For 1993 only, each city, county, and school district must include in the advertisement required under this subdivision, information comparing current and proposed employee compensation costs in the current and next succeeding budget year, and a statement that its employee compensation costs for these periods will be discussed at the public meeting required under this section. The commissioner of revenue, subject to the approval of the chairs of the house of representatives tax committee and senate taxes and tax laws committee, shall specify the form, format, and content of the information to be included in the advertisement.

(g) Beginning in 1993, the commissioner of revenue shall prescribe the form, format, and content of a notice comparing current and proposed employee compensation costs for the executive branch of the state, the University of Minnesota, the community college system, the state board of technical colleges, the state university system, the metropolitan council, the metropolitan mosquito control commission, metropolitan airports commission, metropolitan waste control commission, and the regional transit board. The notice must be at least one-eighth page size of a standard-size or tabloid-size newspaper. The notice must be published statewide, on or before December 31 each year, provided that the information regarding the metropolitan agencies is only required to be published in newspapers of general circulation within the metropolitan area. The notice must be published in official newspapers of general circulation. The newspapers selected must be of general interest and readership, and not of limited subject matter. The notice must be published in a sufficient number of newspapers so as to cover the geographical area of the state. The notice must be published in newspapers that are published at least once per week, and the notice must not be placed in the part of any newspaper where legal notices and classified advertisements appear. The form, format, and content of each year's notice must be approved by the chairs of the house of representatives tax committee and senate taxes and tax laws committee prior to publication.

Sec. 32. Minnesota Statutes 1992, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county shall each hold a public hearing to ~~adopt~~ *discuss and seek public comment* on its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and ~~adopt its proposed~~ property tax levy for taxes payable in the following year.

At ~~the a~~ *a subsequent* hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, 124B.03, subdivision 2, or 136C.411, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing *under this subdivision*, the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. *At the hearing held in 1993 only, specific information must be presented on: (i) the percentage of the proposed budget representing employee compensation costs; (ii) total expenditures for employee wages and benefits in the two previous years, the current calendar year, and proposed for the following year; (iii) numbers of employees by general classification and whether full or part time in the two previous years, the current calendar year, and proposed for the following year; and (iv) how changes in employee compensation costs between the current and proposed budgets compare with, and affect, the current and proposed levies.* During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions

prior to adoption of any measures by the governing body. At a subsequent hearing, the governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold its a hearing on the second Tuesday in December each year, and may hold additional hearings on other dates before December 20 if necessary for the convenience of county residents. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

The county hearing dates and the city and school district hearing dates must be designated on the notices required under subdivision 3. The continuation dates need not be stated on the notices.

This subdivision does not apply to towns and special taxing districts.

Sec. 33. Minnesota Statutes 1992, section 276.02, is amended to read:

276.02 [TREASURER TO BE COLLECTOR.]

The county treasurer shall collect all taxes extended on the tax lists of the county and the fines, forfeitures, or penalties received by any person or officer for the use of the county. The treasurer shall collect the taxes according to law and credit them to the proper funds. This section does not apply to fines and penalties accruing to municipal corporations for the violation of their ordinances that are recoverable before a city justice. The county board may by resolution authorize the treasurer to impose a charge for any dishonored checks.

The county board may, by resolution, authorize the treasurer or other designees to accept payments by credit card and charge a fee for its use. The fee charged shall be commensurate with the costs assessed by the card issuer.

Sec. 34. Minnesota Statutes 1992, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue

shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8, *including both the market value determined under section 273.11, subdivision 1, and the limited market value determined under section 273.11, subdivision 1a;*

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief";

(6) the net tax payable in the manner required in paragraph (a); and

(7) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.61. These amounts shall be listed as "voter approved referenda levies."

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 35. Minnesota Statutes 1992, section 279.025, is amended to read:

279.025 [PAYMENT OF DELINQUENT PROPERTY TAXES, SPECIAL ASSESSMENTS.]

Payment of delinquent property tax and related interest and penalties and special assessments shall be paid to the county auditor with United States currency or by check or money order drawn on a bank or other financial institution in the United States. *The county board may, by resolution, authorize the treasurer or other designees to accept payments of delinquent taxes by credit card and charge a fee for its use. The fee charged shall be commensurate with the costs assessed by the card issuer. A credit card shall not be used to pay taxes that are in their second or subsequent year of delinquency, or interest and penalties related to those taxes.*

Sec. 36. Minnesota Statutes 1992, section 279.37, subdivision 1a, is amended to read:

Subd. 1a. The delinquent taxes upon a parcel of property which was classified class 4e pursuant to section 273.13, subdivision 9, or for taxes assessed in 1986 and thereafter, classified class 3a, for the previous year's assessment and had a total market value of less than ~~\$100,000~~ \$200,000 for that same assessment shall be eligible to be composed into a confession of judgment. Property qualifying under this subdivision shall be subject to the same provisions as provided in this section except as herein provided.

(a) The down payment shall include all special assessments due in the current tax year, all delinquent special assessments, and 20 percent of the ad valorem tax, penalties, and interest accrued against the parcel. The balance remaining shall be payable in four equal annual installments; and

(b) The amounts entered in judgment shall bear interest at the rate provided in section 279.03, subdivision 1a, commencing with the date the judgment is entered. The interest rate is subject to change each year on the unpaid balance in the manner provided in section 279.03, subdivision 1a.

Sec. 37. Minnesota Statutes 1992, section 297A.44, subdivision 4, is amended to read:

Subd. 4. [LOCAL OPTION TAX.] (a) *Prior to July 1, 1995, the commissioner shall deposit all revenues, including interest and penalties, derived from the local option excise taxes imposed under sections 297A.021 and 297A.14 in the local government trust fund.*

(b) *In addition, prior to July 1, 1995, the commissioner shall deposit revenues derived from imposing a rate of 1.5 percent on all taxable sales, including interest and penalties, under this chapter in the local government trust fund.*

Sec. 38. Minnesota Statutes 1992, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of any property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. *The county board is authorized to grant reductions or abatements only as they relate to taxes payable in the current year and the two preceding years. Reductions or abatements for prior years shall be considered or granted only for clerical errors and when the taxpayer fails to file for a reduction or an adjustment due to hardship as defined by the county board.* The application must include the social security number of the applicant. The social security number is private data on individuals as defined by section 13.02, subdivision 12. All applications must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board, except that the part of the application which is for the abatement of penalty or interest must be approved by the county treasurer and county auditor. Approval by the county or city assessor is not required for abatements of penalty or interest. No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

The county auditor shall notify the commissioner of revenue of all abatements resulting from the erroneous classification of real property, for tax purposes, as nonhomestead property. For the abatements relating to the current year's tax processed through June 30, the auditor shall notify the commissioner on or before July 31 of that same year of all abatement applications granted. For the abatements relating to the current year's tax processed after June 30 through the balance of the year, the auditor shall notify the commissioner on or before the following January 31 of all applications granted. The county auditor shall submit a form containing the social security number of the applicant and such other information the commissioner prescribes.

Sec. 39. Minnesota Statutes 1992, section 429.061, is amended by adding a subdivision to read:

Subd. 5. [SPECIAL ASSESSMENTS; ADMINISTRATIVE EXPENSES.] Notwithstanding any general or special law to the contrary, a municipality

shall pay to the county auditor all administrative expenses incurred by the county under subdivision 3 for each special assessment of any local improvement certified by the municipality to the county auditor.

Sec. 40. Minnesota Statutes 1992, section 469.040, subdivision 3, is amended to read:

Subd. 3. [STATEMENT FILED WITH ASSESSOR; PERCENTAGE TAX ON RENTALS.] Notwithstanding the provisions of subdivision 1, after a housing project carried on under sections 469.016 to 469.026 has become occupied, in whole or in part, an authority shall file with the assessor, on or before ~~May~~ *April 15* of each year, a statement of the aggregate shelter rentals of that project collected during the preceding calendar year. Unless a greater amount has been agreed upon between the authority and the governing body or bodies for which the authority was created, in whose jurisdiction the project is located, five percent of the aggregate shelter rentals shall be charged to the authority as a service charge for the services and facilities to be furnished with respect to that project. The service charge shall be collected from the authority in the manner provided by law for the assessment and collection of taxes. The amount so collected shall be distributed to the several taxing bodies in the same proportion as the tax rate of each bears to the total tax rate of those taxing bodies. The governing body or bodies for which the authority has been created, in whose jurisdiction the project is located, may agree with the authority for the payment of a service charge for a housing project in an amount greater than five percent of the aggregate annual shelter rentals of any project, upon the basis of shelter rentals or upon another basis agreed upon. The service charge may not exceed the amount which would be payable in taxes were the property not exempt. If such an agreement is made, the service charge so agreed upon shall be collected and distributed in the manner above provided. If the project has become occupied, or if the land upon which the project is to be constructed has been acquired, the agreement shall specify the location of the project for which the agreement is made. "Shelter rental" means the total rentals of a housing project exclusive of any charge for utilities and special services such as heat, water, electricity, gas, sewage disposal, or garbage removal. "Service charge" means payment in lieu of taxes. The records of each housing project shall be open to inspection by the proper assessing officer.

Sec. 41. [473.334] [PROPERTY EXEMPT FROM TAXATION.]

Subdivision 1. [GENERALLY.] Any real property owned, leased, controlled, used, or occupied by any of the implementing agencies, as defined in section 473.351, the metropolitan council, or the commission for the purposes of sections 473.302 to 473.351, is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes. Such property is exempt from taxation by the state or any political subdivision of the state, provided that it is subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the property from the improvement. No possible use of the property in any manner different from its use as part of the regional recreation open space system at the time shall be considered in determining the special benefit received by the property. The assessments shall be subject to final confirmation by the metropolitan council, whose determination of the benefits is conclusive on the political subdivision levying the assessment and upon the implementing agency assessed.

Subd. 2. [EXCEPTION.] This section does not apply to Otter-Bald Eagle lake regional park property in the town of White Bear, Ramsey county, which shall continue to be governed by section 435.19.

Sec. 42. Minnesota Statutes 1992, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is ~~annually~~ appropriated from the local government trust fund for payments in 1993 and 1994 and from the general fund in 1995 and thereafter to the commissioner of revenue. For aids payable in 1993 and thereafter, the total amount of equalization aid paid under section 477A.013, subdivision 5, is limited to \$20,011,000.

In 1993 and subsequent years 1994, \$8,400,000 per year is appropriated from the local government trust fund and in 1995 and subsequent years, \$8,400,000 per year is appropriated from the general fund to make payments under section 477A.0121.

Sec. 43. Laws 1985, chapter 302, section 1, subdivision 3, is amended to read:

Subd. 3. [SPECIAL SERVICES.] "Special services" means all services rendered or contracted for by the city for ~~snow, ice, and litter removal and cleaning of sidewalks, curbs, gutters, and streets and for banners and other decorations to be used to identify and promote the commercial area:~~

- (1) snow, ice removal; and sanding of public areas;
- (2) cleaning of streets, curbs, gutters, sidewalks, and alleys;
- (3) watering, fertilizing, maintenance, and replacement of trees and bushes on public right-of-way;
- (4) poster and handbill removal;
- (5) cleaning and scrubbing of sidewalks;
- (6) provision, installation, maintenance, removal, and replacement of banners and decorative items for promotion of commercial area;
- (7) repair and maintenance of sidewalks;
- (8) installation and maintenance of areawide security systems;
- (9) provision and coordination of security personnel to supplement regular city personnel;
- (10) maintenance, repair, and cleaning of commercial area directories, kiosks, benches, bus shelters, newspaper stands, trash receptacles, information booths, bicycle racks and bicycle storage containers, sculptures, murals, and other public area art pieces;
- (11) installation, maintenance, and removal of lighting on commercial area trees;
- (12) cost of electrical service for pedestrian and tree lighting;
- (13) repair of low-level pedestrian lights and poles;

(14) provision of comprehensive liability insurance for public space improvements;

(15) trash removal and recycling costs; and

(16) provision, maintenance, and replacement of special signage relating to vehicle and bicycle parking, vehicle and pedestrian movement, and special events.

Special services do not include services that are ordinarily provided throughout the city from ordinary revenues of the city unless an increased level of service is provided in the special service district.

Sec. 44. Laws 1985, chapter 302, section 2, subdivision 1, is amended to read:

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance ordinances:

(a) establishing a special service district in the part of Minneapolis which is south of 28th Street, west of Fremont Dupont Avenue South, north of 31st Street, and east of Humboldt Avenue South East Calhoun Parkway and East Lake of the Isles Parkway; and

(b) establishing a special service district south of Sixth Street southeast, west of Sixteenth Avenue Southeast, north of a line parallel to and 200 feet south of University Avenue and east of Twelfth Avenue Southeast.

Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a special service district. The ordinance shall describe with particularity the areas to be included in the district and the special services to be furnished. The ordinance may not be adopted until after a public hearing on the question. Notice of the hearing shall include:

- (1) the time and place of the hearing;
- (2) a map showing the boundaries of the proposed district; and
- (3) a statement that all persons owning property in the proposed district will be given an opportunity to be heard at the hearing.

Sec. 45. Laws 1985, chapter 302, section 4, is amended to read:

Sec. 4. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

The boundary of a special service district may be enlarged, to an area not to exceed one square mile, within the part of Minneapolis described in section 2 only after hearing and notice as provided in section 2. Notice shall be served in the original district and in the area proposed to be added to the district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district.

Sec. 46. Laws 1993, chapter 11, section 3, is amended to read:

Sec. 3. [EXTENSION OF TIME FOR REPURCHASE.]

Property eligible for repurchase on or after April 25, 1992, but before the date of final enactment of this act, may be repurchased as provided in section 2 for an additional period of one year, beginning on the date of final enactment

of this act. Any right of repurchase under this section is subject to (1) sale or conveyance of the property; (2) commencement of condemnation proceedings by the state or any of its political subdivisions or by the United States; or (3) the issuance of a mineral prospecting permit or lease.

At least 30 days before the sale, lease, or conveyance of any property subject to an extension of time for repurchase under this section, the county auditor shall notify the person who was the owner at the time of forfeiture, or, if known to the auditor, any other person with a right of repurchase, of the extension of time for repurchase under this section. The notice must state that the property may be sold, leased, or conveyed unless the person notifies the county auditor within 30 days after the date of the notice of the person's intention to exercise the right of repurchase within the extended repurchase period. If the county auditor receives such notice, the property may not be sold, leased, or conveyed during the extension of time for repurchase. If no notice is received by the county auditor within the 30-day period, the county auditor may sell, lease, or convey the property.

Sec. 47. [CITY OF DULUTH; SPECIAL SERVICE DISTRICT.]

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the following meanings:

- (1) "City" means the city of Duluth.
- (2) "Special services" means all services rendered or contracted for by the city, including but not limited to:
 - (i) the construction, repair, maintenance, and operation of any improvements authorized by Minnesota Statutes, sections 429.021 and 469.126;
 - (ii) the acquisition of property within a special service district, including through the use of the power of eminent domain;
 - (iii) the sale or lease of property in the special service district at or below "market rate" for the promotion of development within the district;
 - (iv) parking services rendered or contracted for by the city;
 - (v) promotional services provided or contracted for by the city; and
 - (vi) any other service provided to the public by the city as authorized by law or charter.
- (3) "Special service district" means a defined area within the city in which special services are rendered and the costs of special services are paid from revenues collected from service charges imposed within the area as provided in this section.

Subd. 2. [RELATION TO MINNESOTA STATUTES, CHAPTER 428A.] The creation of a special service district under this section must be in accordance with the provisions of Minnesota Statutes, chapter 428A.

Subd. 3. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT; AREA.] The governing body of the city may establish a special service district in the city. The district shall be bounded on the northwest by Interstate Highway 35, on the northeast by the centerline of Sixth Avenue West and as the same is extended to the United States Harbor Line in St. Louis Bay, on the southeast by said Harbor Line and on the southwest by the centerline of Ninth Avenue West and as the same is extended to said Harbor Line.

Subd. 4. [SERVICE CHARGES; DETERMINATION OF AMOUNT.] Service charges based on the net tax capacity of the property within the district shall be distributed in a manner determined by the city council to be a fair, equitable, and reasonable method of determination, taking into account the character and impact of the services to be provided on each parcel in the district; provided, it shall not be necessary to establish a relationship between any special service charges on a parcel of property and the value of special benefits conferred upon that property.

Subd. 5. [DELEGATION TO ECONOMIC DEVELOPMENT AUTHORITY.] After the creation of a special service district, the city council may, by resolution, delegate the operation of the district to an economic development authority created pursuant to Minnesota Statutes, sections 469.090 to 469.108.

Sec. 48. [ST. PAUL; SPECIAL ASSESSMENTS.]

Subdivision 1. The city of St. Paul may by ordinance choose to exercise the powers provided by this section in place of those provided by Minnesota Statutes, section 429.101, subdivision 1, but in accordance with the provisions of Minnesota Statutes, section 429.101, subdivisions 2 and 3. In addition to any method authorized by law or charter, the city may provide for the collection of unpaid special charges for all or any part of the following costs:

- (1) snow, ice, rubbish, or litter removal from public parking facilities;*
- (2) the operation, including maintenance and repair, of lighting systems for public parking facilities; or*
- (3) the operation, including maintenance and repair, of public parking facilities.*

Subd. 2. The costs listed in subdivision 1 may be collected as a special assessment against the property benefited.

Subd. 3. The council may by ordinance adopt regulations consistent with this section to make this authority effective, including, at the option of the council, provisions for collection of actual or estimated charges from the property owner or other person served before the unpaid charges are made a special assessment.

Subd. 4. If estimated charges are collected and, based upon subsequent actual costs, found to be excessive or deficient, subsequent charges shall be reduced by the excess or increased by the deficiency.

Sec. 49. [FLOODWOOD AREA AMBULANCE DISTRICT.]

Subdivision 1. [AGREEMENT.] The city of Floodwood and one or more of the towns of Floodwood, Van Buren, Halden, Cedar Valley, Ness, Arrowhead, Fine Lakes, and Prairie Lake, may by resolution of their city council and town boards establish the Floodwood area ambulance district. The town of Ness may provide that only a described part of its territory be included within the district. The St. Louis county board may by resolution provide that property located in unorganized territory 52-21 may be included within the district. The district shall make payments of the proceeds of the tax authorized in this section to the city of Floodwood, which shall provide ambulance services throughout the territory of the district and may exercise all the powers of the city and towns that relate to ambulance service anywhere within its territory.

Any other contiguous town or home rule charter or statutory city may join the district with the agreement of the cities and towns that comprise the district at the time of its application to join. Action to join the district may be taken by the city council or town board of the city or town.

Subd. 2. [BOARD.] The district shall be governed by a board composed of one member appointed by the city council or town board of each city and town in the district. A district board member may, but is not required to, be a member of a city council or town board. Except as provided in this section, members shall serve two-year terms ending the first Monday in January and until their successors are appointed and qualified. Of the members first appointed, as far as possible, the terms of one-half shall expire on the first Monday in January in the first year following their appointment and one-half the first Monday in January in the second year. The terms of those initially appointed shall be determined by lot. If an additional member is added because an additional city or town joins the district, the member's term shall be fixed so that, as far as possible, the terms of one-half of all the members expire on the same date.

Subd. 3. [TAX.] The district may impose a property tax on real and personal property in the district in an amount sufficient to discharge its operating expenses and debt payable in each year, but not to exceed \$25,000 each year. The St. Louis county auditor and treasurer shall collect the tax and pay it to the Floodwood area ambulance district.

Subd. 4. [PUBLIC INDEBTEDNESS.] The district may incur debt in the manner provided for a municipality by Minnesota Statutes, chapter 475, when necessary to accomplish a duty charged to it.

Subd. 5. [WITHDRAWAL.] Upon two years' notice, a city or town may withdraw from the district. Its territory shall remain subject to taxation for debt incurred prior to its withdrawal pursuant to Minnesota Statutes, chapter 475.

Sec. 50. [PROPERTY ACQUIRED FROM ELECTRIC COOPERATIVE.]

Subdivision 1. [PROPERTY EXEMPTION.] Property owned by a cooperative association, as defined in Minnesota Statutes, section 273.40, that is purchased by a public utility, as defined in Minnesota Statutes, section 216B.02, remains exempt from property taxes, if the property:

(1) was exempt under Minnesota Statutes, section 272.02, subdivision 1, clause (18), or section 273.41 when it was owned by the cooperative association; and

(2) is located in St. Louis, Koochiching, Itasca, and Lake counties.

This exemption applies for three assessment years from the date of purchase. The tax under Minnesota Statutes, section 273.41, continues to apply during the three-year exemption period. The rates charged by the public utility must reflect the property tax exemption provided under this section.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective in St. Louis, Koochiching, Itasca, and Lake counties the day after the governing body of the county complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 51. [REPEALER.]

(a) Minnesota Statutes 1992, section 272.115, subdivision 1a, is repealed.

(b) Minnesota Statutes 1992, section 273.124, subdivision 16, is repealed.

Sec. 52. [EFFECTIVE DATE.]

Section 2 is effective for assessment year 1993 and thereafter.

Sections 7, 8, clause (26), 9, 13 to 18, 19, paragraph (c), 21 to 27, 34, and 51, paragraph (b), are effective for taxes levied in 1993, payable in 1994, and thereafter.

Section 8, clause (25), is effective for taxes levied in 1991, payable in 1992, and thereafter. Upon application to and approval by the county auditor, the county treasurer shall refund to the taxpayer any taxes paid for 1992 that are exempt under section 8, clause (25). The refund shall be paid without interest. Each taxing jurisdiction must reimburse the county for the refund in the same proportion as the taxing jurisdiction's levy bears to the total levies of all jurisdictions for taxes payable in 1992. The amount of the reimbursement may be deducted in the next distribution of tax proceeds to the taxing jurisdiction.

Sections 2, 10 to 12, 19, paragraph (a), 20, 33, 35, 46, and 51, paragraph (a), are effective the day following final enactment.

Section 28 is effective for aid payable in 1994.

Sections 30 and 32 are effective for hearings held in 1993 and thereafter.

Section 36 is effective for confessions of judgment entered into after June 30, 1993.

Section 38 is effective for applications for reductions or abatements filed the day after the day following final enactment, provided that for applications pending prior to the effective date of section 38, the county board is authorized to continue the county board's policy which is currently in effect on the granting of any reductions or abatements under Minnesota Statutes, section 375.192.

Section 39 is effective for assessments certified after July 1, 1993.

Sections 43 to 45 take effect the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 47 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth.

Section 48 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city council of the city of St. Paul.

Section 49 is effective in the city of Floodwood, and the towns of Floodwood, Van Buren, Halden, Cedar Valley, Ness, Arrowhead, Fine Lakes, and Prairie Lake the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of each. Section 49 is effective for unorganized territory 52-21 the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the St. Louis county board.

ARTICLE 2

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1992, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469; paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

(3) The sum of the following amounts may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 on or before December 31 of the year for which the taxes were levied or rent paid, the exemption amount.

For purposes of this subdivision, the "exemption amount" means the exemption amount under section 151(d) of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year for which the income is reported.

Sec. 2. Minnesota Statutes 1992, section 290A.03, subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is considered a dependent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1991. In the case of a son, stepson, daughter, or stepdaughter of the claimant, amounts received as an aid to families with dependent children grant or allowance to or on behalf of the child, surplus food, or other relief in kind supplied by a governmental agency must not be taken into account in determining whether the child received more than half of the child's support from the claimant.

Sec. 3. Minnesota Statutes 1992, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1992, disregarding section 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of

special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long-term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (1) and (2), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3, paragraphs (1) and (2), plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long-term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long-term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Sec. 4. Minnesota Statutes 1992, section 290A.23, is amended to read:

290A.23 [APPROPRIATION.]

Subdivision 1. [RENTERS CREDIT AND TARGETING.] There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2a and 2h.

Subd. 2. [HOMEOWNERS PROPERTY TAX REFUND AND TARGETING.] There is appropriated from the local government trust fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, ~~subdivision~~ subdivisions 2 and 2h.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective for refunds payable for rents paid in 1993 and property taxes payable in 1994, and thereafter.

Sections 2 and 3 are effective for refunds payable for rents paid in 1992 and property taxes payable in 1993, and thereafter.

ARTICLE 3

ASSESSORS ADMINISTRATIVE

Section 1. Minnesota Statutes 1992, section 270.41, is amended to read:
270.41 [BOARD OF ASSESSORS.]

(a) A board of assessors is hereby created. The board shall be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving courses in assessment practices, and establishing criteria for determining assessor's qualifications. The board shall also have authority and responsibility to consider other matters relating to assessment administration brought before it by the commissioner of revenue. The board may grant, renew, suspend, or revoke an assessor's license. The board shall consist of nine members, who shall be appointed by the commissioner of revenue, in the manner provided herein.

1. Two from the department of revenue,
2. Two county assessors,
3. Two assessors who are not county assessors, one of whom shall be a township assessor, and
4. One from the private appraisal field holding a professional appraisal designation,
5. Two public members as defined by section 214.02.

The appointment provided in 2 and 3 may be made from two lists of not less than three names each, one submitted to the commissioner of revenue by the Minnesota association of assessing officers or its successor organization containing recommendations for the appointment of appointees described in 2, and one by the Minnesota association of assessors, inc. or its successor organization containing recommendations for the appointees described in 3. The lists must be submitted 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the commissioner by the respective organization immediately. A member of the board who shall no longer be engaged in the capacity listed above shall automatically be disqualified from membership in the board.

The board shall annually elect a chair and a secretary of the board.

(b) The board may refuse to grant or renew, or may suspend or revoke, a license of an applicant or licensee for any of the following causes or acts:

- (1) failure to complete required training;
- (2) inefficiency or neglect of duty;

(3) "unprofessional conduct" which means knowingly neglecting to perform a duty required by law, or violation of the laws of this state relating to the assessment of property or unlawfully exempting property or knowingly and intentionally listing property on the tax list at substantially less than its market value or the level required by law in order to gain favor or benefit, or knowingly and intentionally misclassifying property in order to gain favor or benefit; or

- (4) conviction of a crime involving moral turpitude; or

(5) any other cause or act that in the board's opinion warrants a refusal to issue or suspension or revocation of a license.

(c) The board of assessors may adopt rules under chapter 14, defining or interpreting grounds for refusing to grant or renew, and for suspending or revoking a license under this section. An action of the board of assessors in refusing to grant or renew a license or in suspending or revoking a license is subject to review in accordance with chapter 14.

(d) *Any assessor, deputy assessor, assistant assessor, appraiser or other person employed by an assessment jurisdiction, or contracting with an assessment jurisdiction, for the purpose of valuing or classifying property for property tax purposes shall be prohibited from making appraisals, analyses, accepting an appraisal assignment or preparing an appraisal report as defined in section 82B.02, subdivisions 2, 3, 4, and 5, on any property within the assessment jurisdiction where the individual is employed or performing the duties of the assessor under contract. Violations of this prohibition shall result in immediate revocation of the individual's license to assess property for property tax purposes. This prohibition shall not be construed so as to prohibit an individual from carrying out any duties required for the proper assessment of property for property tax purposes.*

Sec. 2. Minnesota Statutes 1992, section 270B.12, is amended by adding a subdivision to read:

Subd. 9. [COUNTY ASSESSORS.] If, as a result of an audit, the commissioner determines that a person is a Minnesota nonresident or part-year resident for income tax purposes, the commissioner may disclose the person's name, address, and social security number to the assessor of any political subdivision in the state, when there is reason to believe that the person may have claimed or received homestead property tax benefits for a corresponding assessment year in regard to property apparently located in the assessor's jurisdiction.

Sec. 3. Minnesota Statutes 1992, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners and shall be a resident of this state, *except that any person who was originally appointed county assessor between May 26, 1989, and October 4, 1989, is not required to be a resident of this state for any appointments under this section.* The assessor shall be selected and appointed because of knowledge and training in

the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior accreditation from the state board of assessors by January 1, 1992, or within two years of the assessor's first appointment under this section, whichever is later.

Sec. 4. Minnesota Statutes 1992, section 273.11, subdivision 13, is amended to read:

Subd. 13. [VALUATION OF INCOME-PRODUCING PROPERTY.] Beginning with the 1995 assessment, only accredited assessors or senior accredited assessors or other licensed assessors who have successfully completed at least two income-producing property appraisal courses may value income-producing property for ad valorem tax purposes. "Income-producing property" as used in this subdivision means the taxable property in class 3a and 3b in section 273.13, subdivision 24; class 4a and 4c, except for seasonal recreational property not used for commercial purposes, and class 4d in section 273.13, subdivision 25; and class 5 in section 273.13, subdivision 31. "Income-producing property appraisal course" as used in this subdivision means a course of study approximately 30 instructional hours, with a final comprehensive test. An assessor must successfully complete the final examination for each of the two required courses. The course must be approved by the board of assessors.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1993.

Sections 2 and 4 are effective the day following final enactment.

Section 3 is effective for any appointment beginning January 1, 1993, and thereafter.

ARTICLE 4

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 1992, section 273.1399, subdivision 1, is amended to read:

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

(a) "Qualifying captured net tax capacity" means the following amounts:

(1) the captured net tax capacity of a new or the expanded part of an existing economic development or soils condition tax increment financing district, other than a qualified manufacturing district, for which certification was requested after April 30, 1990;

(2) the captured net tax capacity of a qualified manufacturing district, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district:

Number of Years	Percentage
1	0
2	20
3	40
4	60
5	80
6 or more	100;

(3) the captured net tax capacity of a new or the expanded part of an existing tax increment financing district, other than a *housing district*, a *qualified redevelopment district*, a *qualified pollution district*, or an economic development or soils condition district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25
7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured net tax capacity resulting from the reduction in the subdistrict's or site's original net tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

(c) "Qualified Manufacturing district" means:

(1) an economic development district that qualifies under section 469.176, subdivision 4c, paragraph (a), without regard to clauses (2) and (4), for which certification was requested after June 30, 1991, located in a home rule charter or statutory city that (4) (i) has a population under 10,000 according to the last federal census, and (2) (ii) is wholly located outside of a metropolitan statistical area as determined by the United States Office of Management and Budget; or

(2) a manufacturing district under section 469.174, subdivision 25.

(d) "Qualified redevelopment district" means a redevelopment district in which the percentage increase in the sum of the net tax capacities of the parcels in the redevelopment district during the five years before the year of certification of the district is less than, for the same time period, the percentage increase in the sum of the net tax capacities of the parcels in the school districts in which any parcels in the redevelopment district are located.

(e) "Qualified pollution district" means a pollution district in which:

(1) the percentage increase in the sum of the market value of the parcels in the pollution district during the five years before the year of certification of the district is the same as or less than, for the same time period, the percentage increase in the sum of the market value of the parcels in the school districts in which any parcels in the pollution district are located; or

(2) there has been no increase in the sum of the market value of the parcels in the pollution district during the five years before the year of certification of the district.

Sec. 2. Minnesota Statutes 1992, section 282.08, is amended to read:

282.08 [APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.]

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of any products therefrom, shall be apportioned by the county auditor to the taxing districts interested therein, as follows:

(1) Such portion as may be required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of such parcel to the state, but not exceeding the amount certified by the clerk of the municipality, shall be apportioned to the municipal subdivision entitled thereto;

(2) Such portion as may be required to pay any amount included in the appraised value under section 282.019, subdivision 5, representing increased value due to response actions taken after forfeiture of such parcel to the state, but not exceeding the amount of expenses certified by the pollution control agency or the commissioner of agriculture, shall be apportioned to the agency or the commissioner of agriculture and deposited in the fund from which the expenses were paid;

(3) Such portion of the remainder as may be required to discharge any special assessment chargeable against such parcel for drainage or other purpose whether due or deferred at the time of forfeiture, shall be apportioned to the municipal subdivision entitled thereto; and

(4) Any balance shall be apportioned as follows:

(a) Any county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for timber development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It shall be expended only on projects approved by the commissioner of natural resources.

(b) Any county board may annually by resolution set aside no more than 20 percent of the receipts remaining to be used for the acquisition and

maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(c) If the board does not avail itself of the authority under paragraph (a) or (b) any balance remaining from the sale or rental of a parcel that is not located in a tax increment financing district shall be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, and if the board avails itself of the authority under paragraph (a) or (b) the balance remaining shall be apportioned among the county, town or city, and school district in the proportions in this paragraph above stated, provided, however, that in unorganized territory that portion which should have accrued to the township shall be administered by the county board of commissioners. *If the parcel is located in a tax increment financing district, the county auditor shall pay the balance to the district, and it will constitute tax increments.*

Sec. 3. Minnesota Statutes 1992, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons

of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain and is currently vacant, buildings and improvements which are vacated and substandard. *Notwithstanding the prior sentence, in cities of the first class the exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are substandard.* For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the

manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section

469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing;

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan for a rental housing project by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 4. Minnesota Statutes 1992, section 469.174, subdivision 9, is amended to read:

Subd. 9. [TAX INCREMENT FINANCING DISTRICT.] "Tax increment financing district" or "district" means a contiguous or noncontiguous geographic area within a project delineated in the tax increment financing plan, as provided by section 469.175, subdivision 1, for the purpose of financing redevelopment, mined underground space development, housing or economic development, *manufacturing, or the remediation of contamination* in municipalities through the use of tax increment generated from the captured net tax capacity in the tax increment financing district.

Sec. 5. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 22. [POLLUTION DISTRICT.] "*Pollution district*" means a type of tax increment financing district:

(1) that meets the requirements of an economic development district, housing district, mined underground space development district, redevelopment district, renewal and renovation district, or soils condition district;

(2) that consists of a project, or portions of a project, within which the authority finds it to be in the public interest to provide for the remediation of contamination; and

(3) in which the estimated costs of remediating present contamination or preventing future contamination of the land within the eligible site equal or exceed: (i) the fair market value of the improved property included in the district unless the improvements will be demolished prior to development; or (ii) \$2 per square foot of the area of the pollution district.

Sec. 6. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 23. [REMEDICATION.] "Remediation" means any activity constituting "removal," "remedy," or "remedial action," as those terms are defined in section 115B.02; environmental audits; pollution tests; preparation and implementation of response action plans; the establishment and maintenance of a guaranty or indemnification fund under section 469.1764; acquisition and demolition necessary to accomplish remediation; and administrative, legal, and professional activities reasonably related to the prevention, containment, or cleanup of contamination.

Sec. 7. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 24. [CONTAMINATION.] "Contamination" means the presence of:

(1) a substance defined as a "hazardous substance" or "toxic substance" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9061, et seq.;

(2) a substance defined as a "hazardous substance," "hazardous waste," or "pollutant or contaminant" in section 115B.02; or

(3) petroleum or its derivatives.

Sec. 8. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 25. [MANUFACTURING DISTRICT.] "Manufacturing district" means a type of tax increment financing district that:

(1) meets the requirements of an economic development district; and

(2) consists of a project, or portions of a project, within which the authority finds it to be in the public interest to provide for the development of manufacturing facilities or tourism facilities. The finding must be made in a resolution adopted by the authority on or before the date of approval of the plan for the district.

Sec. 9. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 26. [MANUFACTURING FACILITY.] "Manufacturing facility" means property that is acquired, constructed, or rehabilitated, if at least 85 percent of the property is used:

(1) for the manufacturing or production of tangible personal property,

including processing resulting in the change in condition of the tangible personal property;

(2) for the warehousing, storage, and distribution of tangible personal property, excluding retail sales;

(3) for research and development activities related to the activities listed in clause (1) or (2); or

(4) space necessary for and related to the activities listed in clause (1), (2), or (3).

Sec. 10. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 27. [TOURISM FACILITY.] "Tourism facility" means property that:

(1) is located in a county where the median income is no more than 85 percent of the state median income;

(2) is located in a county in which, excluding the cities of the first class in that county, the earnings on tourism-related activities are 15 percent or more of the total earnings in the county;

(3) is located outside the metropolitan area defined in section 473.121, subdivision 2;

(4) is not located in a city with a population in excess of 20,000; and

(5) is acquired, constructed, or rehabilitated for use as a convention and meeting facility, amusement park, recreation facility, cultural facility, marina, park, hotel, motel, lodging facility or nonhomestead dwelling unit that in each case is intended to serve primarily individuals from outside the county.

Sec. 11. Minnesota Statutes 1992, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] (a) A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

(ii) amount of bonded indebtedness to be incurred;

- (iii) sources of revenue to finance or otherwise pay public costs;
 - (iv) the most recent net tax capacity of taxable real property within the tax increment financing district;
 - (v) the estimated captured net tax capacity of the tax increment financing district at completion; and
 - (vi) the duration of the tax increment financing district's existence;
- (6) statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district;
- (7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and
- (8) identification of all parcels to be included in the district.

(b) The authority may elect in the tax increment financing plan to provide for the identification of a minimum market value in the plan, development agreement, or assessment agreement, and provide that increment is first received by the authority when (1) the market value of the improvements as determined by the assessor reaches or exceeds that minimum market value, or (2) four years has elapsed from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor, whichever is earlier.

(c) With respect to a pollution district, the authority shall elect in the tax increment financing plan to impose the provisions of sections 469.174 to 469.179, applicable to an economic development district, housing district, mined underground space development district, redevelopment district, renewal and renovation district, or soils condition district, to the pollution district. The authority must make the election in the plan and, once made, the election is irrevocable. Thereafter, the provisions of sections 469.174 to 469.179 applicable to the district elected shall be applicable to the pollution district.

Sec. 12. Minnesota Statutes 1992, section 469.175, is amended by adding a subdivision to read:

Subd. 2a. [HOUSING DISTRICTS; REDEVELOPMENT DISTRICTS.] In the case of a proposed housing district or redevelopment district, in addition to the requirements of subdivision 2, at least 30 days before the publication of the notice for public hearing under subdivision 3, the authority shall deliver written notice of the proposed district to any county commissioner who represents any part of the area proposed to be included in the district. The notice must contain a general description of the boundaries of the proposed district and the proposed activities to be financed by the district, an offer by the authority to meet and discuss the proposed district with the county commissioner, and a solicitation of the county commissioner's comments with respect to the district.

Sec. 13. Minnesota Statutes 1992, section 469.175, is amended by adding a subdivision to read:

Subd. 2b. [MANUFACTURING DISTRICTS.] In the case of a manufacturing district, in addition to the requirements of subdivision 2, at least 30 days before the publication of the notice for public hearing under subdivision 3, the authority shall deliver written notice of the proposed manufacturing district to the county board of the county in which the area proposed to be included in the manufacturing district is located. The notice must contain a general description of the boundaries of the proposed manufacturing district and the proposed activities to be financed by the manufacturing district, an offer by the authority to meet and discuss the proposed district with the county board, and a solicitation of the county board's comments with respect to the manufacturing district.

Sec. 14. Minnesota Statutes 1992, section 469.175, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] A county auditor shall not certify the original net tax capacity of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. The published notice must include a map of the area of the district from which increments may be collected and, if the project area includes additional area, a map of the project area in which the increments may be expended. The hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a renewal or renovation district, a mined underground space development district, a housing district, a soils condition district, a manufacturing district, or an economic development district; if the proposed district is a redevelopment district or a renewal or renovation district, the reasons and supporting facts for the determination that the district meets the criteria of section 469.174, subdivision 10, paragraph (a), clauses (1) and (2), or subdivision 10a, must be retained and made available to the public by the authority until the district has been terminated.

(2) that the proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

(5) that the municipality elects the method of tax increment computation set forth in section 469.177, subdivision 3, clause (b), if applicable.

(6) in the case of a manufacturing district, that the use of tax increment financing is necessary either to retain a business that will expand within the municipality which would otherwise leave the state, or to induce a business to relocate to the municipality from another state.

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for the financing.

Sec. 15. Minnesota Statutes 1992, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (g), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g). The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor, unless within the three-year period (1) bonds have been issued in aid of the project containing the district pursuant to section 469.178, or any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority

(1) after 25 years from date of receipt by the authority of the first tax increment for a mined underground space development district, ~~redevelopment district, or housing district.~~

(2) after 15 years after receipt by the authority of the first increment for a renewal and renovation district,

(3) after 12 years from approval of the tax increment financing plan for a soils condition district *or a manufacturing district*, ~~and~~

(4) after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district,

(5) for a housing district or a redevelopment district, after 20 years from date of receipt by the authority of the first tax increment by the authority pursuant to section 469.175, subdivision 1, paragraph (b); or, if no provision is made under section 469.175, subdivision 1, paragraph (b), after 25 years from date of receipt by the authority of the first increment, and

(6) except as provided in paragraph (f), after 25 years from the date of receipt by the authority of the first tax increment for a pollution district.

(f) No tax increment derived from a pollution district, except tax increment attributable to the reduction in original net tax capacity pursuant to an election under section 469.177, subdivision 1, paragraph (i), shall be paid to the authority, unless such tax increment will be used for the remediation of contamination: (1) after 25 years from the date of receipt by the authority of the first tax increment from a pollution district that the authority has elected to be subject to the provisions applicable to a mined underground space development district, redevelopment district, or housing district, (2) after 15 years from the date of receipt by the authority of the first tax increment from a pollution district that the authority has elected to be subject to the provisions applicable to a renewal and renovation district, (3) after 12 years from the date of approval of the tax increment financing plan for a pollution district that the authority has elected to be subject to the provisions applicable to a soils condition district, and (4) after eight years from the date of receipt by the authority of the first tax increment, or ten years from the date of approval of the tax increment financing plan, whichever is less, for a pollution district that the authority has elected to be subject to the provisions applicable to an economic development district.

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April 1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

(g) If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

(h) If a parcel located in the district has delinquent property taxes when the district terminates under the duration limits under this subdivision, the payment of the parcel's delinquent taxes made after decertification of the district are tax increments to the extent the nonpayment of property taxes caused the outstanding bonds or contractual obligations pledged to be paid by the district to be paid by sources other than tax increments or to go unpaid. The county auditor shall pay the appropriate amount to the district. The authority shall provide the county auditor with information regarding the payment of outstanding bonds or contractual obligations and any other information necessary to administer the payment, as requested by the county auditor.

Sec. 16. Minnesota Statutes 1992, section 469.176, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT; GENERAL RULE.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.134, by a municipality or authority to finance or otherwise pay the costs of the remediation of contamination in a project in which a pollution district is located, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both; which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue.

secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve.

Sec. 17. Minnesota Statutes 1992, section 469.176, subdivision 4f, is amended to read:

Subd. 4f. [INTEREST REDUCTION.] Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 469.012, subdivisions 7 to 10, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (1) tax increments may not be collected for a program for a period in excess of ~~12~~ 15 years after the date of the first interest rate reduction payment for the program, (2) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 469.178 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (3) tax increments may not be used to finance an interest reduction program for owner-occupied single-family dwellings.

Sec. 18. Minnesota Statutes 1992, section 469.176, subdivision 4g, is amended to read:

Subd. 4g. [GENERAL GOVERNMENT USE PROHIBITED.] These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment from any district, whether certified before or after August 1, 1979, shall be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the municipality.

(b) If any publicly owned facility used for social, recreational, or conference purposes and financed in whole or in part from revenues derived from a district is operated or managed by an entity other than the authority, the operating and management policies of such facility must be approved by the governing body of the authority.

Sec. 19. Minnesota Statutes 1992, section 469.176, is amended by adding a subdivision to read:

Subd. 4k. [POLLUTION DISTRICTS.] *The portion of the tax increment derived from a pollution district that is attributable to the reduction in original net tax capacity pursuant to an election under section 469.177, subdivision 1, paragraph (i), shall only be used to pay or reimburse the costs of the remediation of contamination in the project in which the pollution district is located. The remaining tax increment received from a pollution district may be used in accordance with subdivision 4, but subject to the restrictions imposed by sections 469.174 to 469.179 applicable to the type of district elected by the authority pursuant to section 469.175, subdivision 1, paragraph (c).*

Sec. 20. Minnesota Statutes 1992, section 469.1763, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES OUTSIDE DISTRICT.] (a) For each tax-increment financing district, an amount equal to at least 75 percent of the revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of the revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, *revenue expended in a housing project, as defined in section 469.174, subdivision 11, or in another housing district, is an activity in the district.*

(c) All administrative expenses are for activities outside of the district.

Sec. 21. Minnesota Statutes 1992, section 469.1763, is amended by adding a subdivision to read:

Subd. 6. [POLLUTION DISTRICTS.] Subdivisions 2 to 4 do not apply to a pollution district if:

(1) the district is located within a project that meets the criteria of a targeted neighborhood under sections 469.201, subdivision 10; and 469.202, subdivisions 1 and 2, provided that the project does not exceed 50 acres and does not include additional area under section 469.202, subdivision 3;

(2) the authority has elected, under section 469.175, subdivision 1, paragraph (c), to impose the provisions of sections 469.174 to 469.179 applicable to a redevelopment district to the pollution district; or

(3) the authority has elected, under section 469.175, subdivision 1, paragraph (c), to impose the provisions of sections 469.174 to 469.179 applicable to a renewal and renovation district to the pollution district.

This subdivision applies only to the extent of authorizing expenditures for the purpose of remediation in another pollution district.

Sec. 22. [469.1764] [GUARANTY OR INDEMNIFICATION FUND.]

An authority may establish and maintain a guaranty or indemnification fund with respect to any contaminated parcel, or more than one such parcel, included within a pollution district. Funds held in the guaranty or indemnification fund must be available, upon terms and conditions determined by the authority through agreement or resolution, to an eligible person to indemnify and hold harmless the eligible person from liability for remediation costs arising under any state or federal environmental law, regulation, ruling, order, or decision with respect to the contaminated parcel or parcels by reason of the person's use, occupancy, ownership, or financing associated with the contaminated parcel. The authority may not indemnify or hold harmless an eligible person from liability for contamination of a parcel caused by the eligible person. Tax increments derived from a pollution district and any other funds available to the authority may be deposited in or

otherwise used to secure payments from the guaranty or indemnification fund. The authority is liable under the guaranty or indemnification only to the extent of funds available to secure payments from the guaranty or indemnification fund. The maximum amount payable from the guaranty or indemnification fund with respect to any eligible parcel or group of parcels must not exceed 50 percent of the cost of remediation of the contamination present in the contaminated parcels at the time of final approval of the plan, which amount may be inflated each year according to an appropriate inflation index selected by the authority. The guaranty or indemnification fund must be held or maintained in or with a financial institution or corporate fiduciary eligible for the deposit of public money or eligible to act as a trustee or fiduciary for bonds or other obligations issued under chapter 475. The guaranty or indemnification fund must be held and maintained for the period agreed to by the authority, except that tax increments may be deposited in the fund only during the duration of the district. Upon termination of the period of guaranty or indemnification all unexpended money then held in the guaranty or indemnification fund must be considered excess tax increments and returned to the county auditor for redistribution. Investment earnings, net of investment losses, on money held in the guaranty or indemnification fund may, at the option of the authority, be retained in the fund or disbursed to the authority and applied to other eligible costs. Tax increments used or pledged to secure payments from the guaranty or indemnification fund may be irrevocably pledged for that purpose, and neither filing nor possession is required to perfect the security interest created by the pledge.

Sec. 23. Minnesota Statutes 1992, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original net tax capacity of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4.

(b) In the case of a mined underground space development district the county auditor shall certify the original net tax capacity as zero, plus the net tax capacity, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04.

(c) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(d) The amount to be added to the original net tax capacity of the district as a result of previously tax exempt real property within the district becoming taxable equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If

substantial taxable improvements were made to a parcel after certification of the district and if the property later becomes tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement, the amount to be added to the original net tax capacity of the district as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified. The amount to be added to the original net tax capacity of the district as a result of enlargements equals the net tax capacity of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4.

(e) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(f) Each year the auditor shall also add to the original net tax capacity of each economic development district an amount equal to the original net tax capacity for the preceding year multiplied by the average percentage increase in the market value of all property included in the economic development district during the five years prior to certification of the district.

(g) The amount to be subtracted from the original net tax capacity of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt or being removed from the district. If the net tax capacity of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured net tax capacity of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

(h) If a parcel of property contained a substandard building that was demolished or removed and if the authority elects to treat the parcel as occupied by a substandard building under section 469.174, subdivision 10, paragraph (b), the auditor shall certify the original net tax capacity of the parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated market value of the parcel for the year in which the building was demolished or removed, but applying the class rates for the current year.

(i) *The original net tax capacity of a pollution district may be reduced by an amount up to 100 percent of the original net tax capacity of the pollution district at the election of the authority. The election must be made in writing*

and delivered to the county auditor of the county in which the pollution district is located. The change in original net tax capacity is effective as of the July 1 subsequent to the date of receipt of the election by the county auditor. The tax increment attributable to this reduction in original net tax capacity must be used only in accordance with section 469.176, subdivision 4k. At any time after an election has been made to reduce the original net tax capacity of a pollution district pursuant to this subdivision, the authority may elect to forego the election. If the authority elects to forego the election, the original net tax capacity shall be changed to the original net tax capacity that would have been applicable to the pollution district without the application of this paragraph. The subsequent election must be made in writing and delivered to the county auditor of the county in which the pollution district is located. The change in original net tax capacity is effective as of the July 1 subsequent to the date of receipt of the election by the county auditor.

Sec. 24. Minnesota Statutes 1992, section 469.1831, subdivision 4, is amended to read:

Subd. 4. [PROGRAM MONEY; DISTRIBUTION AND RESTRICTIONS.] (a) Neighborhood revitalization program money may only be expended in accordance with the program for a purpose listed in subdivision 3 or this subdivision. Program money may not be used in those project areas of the city where the city determines that private investment will be sufficient to provide for development and redevelopment of the project area without public sector assistance, except in cases where program money is being used to remove or rehabilitate structurally substandard or obsolete buildings. Revenues derived from tax increments may only be expended for the purposes otherwise permitted by law, except that notwithstanding any law to the contrary, the city must pay at least the following amount of program money, including revenues derived from tax increments: (1) 15 percent to the school district, (2) 7.5 percent to the county, and (3) 7.5 percent for social services. Payment must be made to the county and school district within 15 days after the city receives the distribution of increment revenues, provided that the payment for calendar year 1990 may be made at any time during the year. Payment to the county for social services delivery shall be paid only after approval of program and spending plans under paragraph (b). Payment to the school district for education programs and services shall be paid only after approval of program and spending plans under paragraph (b).

(b) The money distributed to the county in a calendar year must be deducted from the county's levy limit for the following calendar year. In calculating the county's levy limit base for later years, the amount deducted must be treated as a local government aid payment.

The city must notify the commissioner of education of the amount of the payment made to the school district for the year. The commissioner shall deduct from the school district's state education aid payments one-half of the amount received by the school district.

The program money paid to the school district must be expended for additional education programs and services in accordance with the program. The amounts expended by the school district may not replace existing services.

The money for social services must be paid to the county for the cost of the provision of social services under the plan, as approved by the policy board and the county board.

(c) The city must expend on housing programs and related purposes as provided by the program at least 75 percent of the program money, after deducting the payments to the school district and county.

(d) Notwithstanding any other provisions of law to the contrary, for a city of the first class qualifying under section 469.1781, paragraph (a), program money and money described in Laws 1990, chapter 604, article 7, section 29, as amended, may be expended anywhere within the city by the authority for a purpose permitted by this section for any political subdivision without compliance with section 469.175, subdivision 4; and such money shall be deemed to be expended for a purpose that is a permitted project under section 469.176 and for a purpose that is permitted under section 469.176 for the district from which the increment was received.

Sec. 25. [INVER GROVE HEIGHTS.]

Subdivision 1. [EXTENSION OF TAX INCREMENT FINANCING DISTRICT.] Tax increment financing district number 3-2 established by the city of Inver Grove Heights on April 30, 1992, pursuant to Laws 1990, chapter 604, article 7, section 30, subdivision 2, shall continue in effect until the earlier of May 1, 2004, or when all costs provided for in the tax increment financing plan relating to the district have been paid. In no event shall the city receive more than eight full years of tax increment.

Subd. 2. [GENERAL OBLIGATION BONDS.] Upon execution of an agreement among the city of Inver Grove Heights, the state, acting through the department of transportation, and Dakota county, relating to the planning, design, construction, and reconstruction of state, county, and city highway, street, and bridge improvements to serve, among other areas, the area included in tax increment financing district number 3-2 of the city, the city council may by resolution authorize, sell, and issue general obligation bonds of the city in a principal amount not exceeding \$3,000,000 to finance a portion of the cost of the improvements to be paid for by the state pursuant to the agreement. The bonds shall be issued only if and in the amount estimated to be necessary to provide money to pay the costs of the improvements for which state funds are not immediately available but are to be received by the city pursuant to the agreement. The state money shall be pledged to the payment of the bonds and when received shall be used to pay them as soon as practicable. The bonds shall be issued and secured under Minnesota Statutes, chapter 475, except that no election is required to authorize their issuance.

Sec. 26. [CHANHASSEN.]

Subdivision 1. [EXTENSION OF TIF DISTRICT.] The tax increment financing district established by the housing and redevelopment authority in and for the city of Chanhassen and approved by the city on December 19, 1977, within the downtown and Chanhassen lakes business park areas continues in effect until the earlier of (1) December 31, 2004, or (2) when all costs provided for in the tax increment financing plan relating to the district have been paid. All tax increments received after April 1, 2001, in excess of the amount needed to pay bonds issued before April 1, 1990, shall be used only to pay or reimburse capital costs of public road improvements pursuant to subdivision 2.

Subd. 2. [BOND AUTHORIZATION.] If Carver county and the cities of Chanhassen and Chaska agree to the planning, design, construction, and reconstruction of county and city highway and street improvements that serve,

among other areas, the area of the tax increment financing district established on December 19, 1977, the city council may, by resolution, authorize, sell, and issue general obligation bonds of the city to finance part of the cost of the improvements to be paid for by the county under the agreement. The city shall issue the bonds only if and to the extent it estimates they are necessary to pay costs of the improvements coming due for which county funds are not immediately available but will be received by the city under the agreement. The city shall pledge the county moneys to the payment of the bonds and after it receives the moneys shall pay the bonds as soon as practicable. The bonds shall be issued and secured under Minnesota Statutes, chapter 475, except that no election is required to authorize their issuance.

Sec. 27. [CITY OF MANKATO; DURATION OF TAX INCREMENT FINANCING DISTRICT.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1, the duration of the key city redevelopment project tax increment financing district, district AA1, located within the city of Mankato, may be extended by the authority to August 1, 2009. Any increment received during the period of extended duration may only be utilized for payment of or to secure payment of debt service on bonds issued after April 1, 1993, and before January 1, 1994, or bonds issued to refund those bonds.

Sec. 28. [EFFECTIVE DATE.]

Section 1 is effective for aids payable in 1993 and thereafter. Sections 2 and 4 to 23 are effective for districts certified after May 31, 1993. Section 3 applies to sales or leases entered into after July 31, 1993. Section 24 is effective the day following final enactment.

ARTICLE 5

LOCAL GOVERNMENT EFFICIENCY AND COOPERATION

Section 1. [465.795] [DEFINITIONS.]

Subdivision 1. [AGENCY.] "Agency" means a department, agency, board, or other instrumentality of state government that has jurisdiction over an administrative rule or law from which a waiver is sought under section 3. If no specific agency has jurisdiction over such a law, "agency" refers to the attorney general.

Subd. 2. [BOARD.] "Board" means the board of government innovation and cooperation established by section 2.

Subd. 3. [COUNCIL.] "Council" or "metropolitan council" means the metropolitan council established by section 473.123.

Subd. 4. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a county, home rule charter or statutory city, school district, town, or special taxing district, except for purposes of sections 465.81 to 465.87.

Subd. 5. [METROPOLITAN AGENCY.] "Metropolitan agency" has the meaning given in section 473.121, subdivision 5a.

Subd. 6. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

Subd. 7. [SCOPE.] As used in sections 1 to 5 and sections 465.80 to 465.87, the terms defined in this section have the meanings given them.

Sec. 2. [465.796] [BOARD OF GOVERNMENT INNOVATION AND COOPERATION.]

Subdivision 1. [MEMBERSHIP.] The board of government innovation and cooperation consists of the majority leader and the minority leader of the senate or their designees, the majority leader and the minority leader of the house of representatives or their designees, one administrative law judge appointed by the chief administrative law judge, a nonlegislative member of the advisory commission on intergovernmental relations, the commissioner of finance, the commissioner of administration, the director of the legislative commission to review administrative rules, and the state auditor. The commissioners of finance and administration and the state auditor may each designate one staff member to serve in the commissioner's or auditor's place. The members of the senate and house of representatives and the director of the legislative commission to review administrative rules serve as nonvoting members.

Subd. 2. [DUTIES OF BOARD.] The board shall:

(1) accept applications from local government units for waivers of administrative rules and temporary, limited exemptions from enforcement of procedural requirements in state law as provided in section 3, and determine whether to approve, modify, or reject the application;

(2) accept applications for grants to local government units and related organizations proposing to design models or plans for innovative service delivery and management as provided in section 4 and determine whether to approve, modify, or reject the application;

(3) accept applications from local government units for financial assistance to enable them to plan for cooperative efforts as provided in section 5, and determine whether to approve, modify, or reject the application;

(4) accept applications from eligible local government units for service-sharing grants as provided in section 465.80, and determine whether to approve, modify, or reject the application;

(5) accept applications from counties, cities, and towns proposing to combine under sections 465.81 to 465.87, and determine whether to approve or disapprove the application; and

(6) make recommendations to the legislature regarding the elimination of state mandates that inhibit local government efficiency, innovation, and cooperation.

The board may purchase services from the metropolitan council in reviewing requests for waivers and grant applications.

Subd. 3. [STAFF.] The board may hire staff or consultants as necessary to perform its duties.

Sec. 3. [465.797] [RULE AND LAW WAIVER REQUESTS.]

Subdivision 1. [GENERALLY.] (a) Except as provided in paragraph (b), a local government unit may request the board of government innovation and cooperation to grant a waiver from one or more administrative rules or a

temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before submitting an application to the board, the governing body of the local government unit must approve the waiver or exemption request by resolution at a meeting required to be public under section 471.705.

(b) A school district that is granted a variance from rules of the state board of education under section 121.11, subdivision 12, need not apply to the board for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the state board of education has authority to grant a variance to the rules under section 121.11, subdivision 12. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

Subd. 2. [APPLICATION.] A local government unit requesting a waiver of a rule or exemption from enforcement of a law under this section shall present a written application to the board. The application must include:

- (1) identification of the service or program at issue;
- (2) identification of the administrative rule or the law imposing a procedural requirement with respect to which the waiver or exemption is sought;
- (3) a description of the improved service outcome sought, including an explanation of the effect of the waiver or exemption in accomplishing that outcome;
- (4) a description of the means by which the attainment of the outcome will be measured; and
- (5) if the waiver or exemption is proposed by a single local government unit, a description of the consideration given to intergovernmental cooperation in providing this service, and an explanation of why the local government unit has elected to proceed independently.

A copy of the application must be provided by the requesting local government unit to the exclusive representative of its employees as certified under section 179A.12.

Subd. 3. [REVIEW PROCESS.] Upon receipt of an application from a local government unit, the board shall review the application. The board shall dismiss or request modification of an application within 60 days of its receipt if it finds that (1) the application does not meet the requirements of subdivision 2, or (2) the application should not be granted because it clearly proposes a waiver of rules or exemption from enforcement of laws that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If the application is submitted by a local government unit in the metropolitan area or the unit requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the metropolitan council or a metropolitan agency has jurisdiction, the board shall also transmit a copy of the application to the council for review and comment. The council shall report its comments to the board within 60 days of the date the application was transmitted to the council. The council may point out any resources or

technical assistance it may be able to provide a local government submitting a request under this section. If it does not dismiss the application, the board shall transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver or exemption is sought. The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested. If no agency has jurisdiction over the rule or law, the board shall transmit a copy of the application to the attorney general. If the commissioner of finance, the commissioner of administration, or the state auditor has jurisdiction over the rule or law, the chief administrative law judge shall appoint a second administrative law judge to serve as a member of the board in the place of that official for purposes of determining whether to grant the waiver or exemption. The agency shall inform the board of its agreement with or objection to and grounds for objection to the waiver or exemption request within 60 days of the date when the application was transmitted to it. Interested persons may submit written comments to the board on the waiver or exemption request within 60 days of the board's receipt of the application. If the agency fails to inform the board of its conclusion with respect to the application within 60 days of its receipt, the agency is deemed to have agreed to the waiver or exemption. If the exclusive representative of the employees of the requesting local government unit objects to the waiver or exemption request it may inform the board of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Subd. 4. [HEARING.] If the agency or the exclusive representative does not agree with the waiver or exemption request, the board shall set a date for a hearing on the application, which may be no earlier than 90 days after the date when the application was transmitted to the agency. The hearing must be conducted informally at a meeting of the board. Persons representing the local government unit shall present their case for the waiver or exemption, and persons representing the agency shall explain the agency's objection to it. Members of the board may request additional information from either party. The board may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, consultants, and members of the public. If necessary, the hearing may be continued at a subsequent board meeting. A waiver or exemption must be granted by a vote of a majority of the board members. The board may modify the terms of the waiver or exemption request in arriving at the agreement required under subdivision 5.

Subd. 5. [CONDITIONS OF AGREEMENTS.] If the board grants a request for a waiver or exemption, the board and the local government unit shall enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement must specify desired outcomes and the means of measurement by which the board will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver or exemption, which may be for no less than two years and no more than four years, subject to renewal if both parties agree. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.05, subdivision 4. A local unit of government that is granted an exemption from enforcement of a procedural requirement in state law under this section is exempt from that law for the duration of the exemption. The board may require periodic reports

from the local government unit, or conduct investigations of the service or program.

Subd. 6. [ENFORCEMENT.] If the board finds that the local government unit is failing to comply with the terms of the agreement under subdivision 5, it may rescind the agreement. Upon the rescision, the local unit of government becomes subject to the rules and laws covered by the agreement.

Subd. 7. [ACCESS TO DATA.] If a local government unit, through a cooperative program under this section, gains access to data collected, created, received, or maintained by another local government that is classified as not public, the unit gaining access is governed by the same restrictions on access to and use of the data as the unit that collected, created, received, or maintained the data.

Sec. 4. [465.798] [SERVICE BUDGET MANAGEMENT MODEL GRANTS.]

One or more local units of governments, an association of local governments, the metropolitan council, or an organization acting in conjunction with a local unit of government may apply to the board of government innovation and management for a grant to be used to develop models for innovative service budget management. Proposed models may provide options to local governments, neighborhood or community organizations, or individuals for managing budgets for service delivery. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the model was not completed or implemented according to the terms of the grant agreement, it may require the grantee to repay all or a portion of the grant.

Sec. 5. [465.799] [COOPERATION PLANNING GRANTS.]

Two or more local government units may apply to the board of government innovation and cooperation for a grant to be used to develop a plan for intergovernmental cooperation in providing services. The grant application must include the following information:

(1) the identity of the local government units proposing to enter into the planning process;

(2) a description of the services to be studied and the outcomes sought from the cooperative venture; and

(3) a description of the proposed planning process, including an estimate of its costs, identification of the individuals or entities who will participate in the planning process, and an explanation of the need for a grant to the extent that the cost cannot be paid out of the existing resources of the local government unit.

The plan may include model contracts or agreements to be used to implement the plan. A copy of the work product for which the grant was provided must be furnished to the board upon completion. If the board finds that the grantee has failed to implement the plan, it may require the grantee to repay all or a portion of the grant.

Sec. 6. Minnesota Statutes 1992, section 465.80, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] This section establishes a program for grants to ~~cities, counties, and towns~~ *local government units* to enable them to meet the start-up costs of providing shared services or functions.

Sec. 7. Minnesota Statutes 1992, section 465.80, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Any ~~home rule charter or statutory city, county, or town~~ *local government unit* that provides a plan for offering a governmental service under a joint powers agreement with another ~~city, county, or town~~ *local government unit*, or with an agency of state government, is eligible for a grant under this section, and is referred to in this section as an "eligible local government unit."

Sec. 8. Minnesota Statutes 1992, section 465.80, subdivision 4, is amended to read:

Subd. 4. [SUBMISSION OF PLAN TO ~~DEPARTMENT BOARD~~.] The plan must be submitted to the ~~department of trade and economic development board of government innovation and cooperation~~. *A copy of the plan must also be provided by the requesting local government units to the exclusive representatives of the employees as certified under section 179A.12.* The ~~commissioner of trade and economic development board~~ will approve a plan only if it contains the elements set forth in subdivision 3, with sufficient information to verify the assertions under clauses (2) and (3). The ~~commissioner board~~ may request modifications of a plan. If the ~~commissioner board~~ rejects a plan, written reasons for the rejection must be provided, and a governmental unit may modify the plan and resubmit it.

Sec. 9. Minnesota Statutes 1992, section 465.80, subdivision 5, is amended to read:

Subd. 5. [GRANTS.] The amount of each grant shall be equal to the additional start-up costs for which evidence is presented under subdivision 3, clause (3). Only one grant will be given to a local government unit for any function or service it proposes to combine with another government unit, but a unit may apply for separate grants for different services or functions it proposes to combine. If the amount of money available for making the grants is not sufficient to fully fund the grants to eligible local government units with approved plans, the ~~commissioner board~~ shall award grants on the basis of each qualified applicant's score under a scoring system to be devised by the ~~commissioner board~~ to measure the relative needs for the grants and the ratio of costs to benefits for each proposal.

Sec. 10. Minnesota Statutes 1992, section 465.81, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in sections 465.81 to 465.87, the words defined in this subdivision have the meanings given them in this subdivision.

"Board" means the board of government innovation and cooperation.

"City" means home rule charter or statutory cities.

"Commissioner" means the ~~commissioner of trade and economic development~~.

"Department" means the ~~department of trade and economic development~~.

“Governing body” means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.

“Local government unit” or “unit” includes counties, cities, and towns.

Sec. 11. Minnesota Statutes 1992, section 465.82, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION AND STATE AGENCY REVIEW.] Each governing body that proposes to combine under sections 465.81 to 465.87 must adopt by resolution a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. The plan must be submitted to the ~~department of trade and economic development~~ *board of government innovation and cooperation* for review and comment. *For a metropolitan area local government unit, the plan must also be submitted to the metropolitan council for review and comment. The council may point out any resources or technical assistance it may be able to provide a governing body submitting a plan under this subdivision.* Significant modifications and specific resolutions of items must be submitted to the ~~department~~ *board and council, if appropriate,* for review and comment. In the official newspaper of each local government unit proposed for combination, the governing body must publish at least a summary of the adopted plans, each significant modification and resolution of items, and the results of each ~~department~~ *board and council, if appropriate,* review and comment.

Sec. 12. Minnesota Statutes 1992, section 465.83, is amended to read:

465.83 [STATE AGENCY APPROVAL.]

Before scheduling a referendum on the question of combining local government units under section 465.84, the units shall submit the plan adopted under section 465.82 to the ~~commissioner~~ *board.* *Metropolitan area units shall also submit the plan to the metropolitan council for review and comment.* The ~~commissioner~~ *board* may require any information it deems necessary to evaluate the plan. The ~~commissioner~~ *board* shall disapprove the proposed combination if the ~~commissioner~~ *it finds* that the plan is not reasonably likely to enable the combined unit to provide services in a more efficient or less costly manner than the separate units would provide them, or if the plans or plan modification are incomplete. *If the combination of local government units is approved by the board under this section, the local units are not required to proceed under chapter 414 to accomplish the combination.*

Sec. 13. Minnesota Statutes 1992, section 465.87, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A local government unit is eligible for aid under this section if the ~~commissioner~~ *board* has approved its plan to cooperate and combine under section 465.83.

Sec. 14. Minnesota Statutes 1992, section 465.87, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL ELIGIBILITY.] A local government unit is eligible for aid under this section if it has combined with another unit of government in accordance with chapter 414 and a copy of the municipal

board's order combining the two units of government is forwarded to the board.

Sec. 15. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the board of government innovation and cooperation for the purpose of making grants under this article, including grants made under Minnesota Statutes, section 465.80, and aid paid under Minnesota Statutes, section 465.87.

ARTICLE 6

COMPREHENSIVE CHOICE HOUSING

Section 1. [16A.713] [AID PENALTIES FOR NONCOMPLIANCE WITH COMPREHENSIVE CHOICE HOUSING ALLOTMENT.]

For cities and towns which are within the metropolitan urban service area or which are freestanding growth centers, as defined by the metropolitan council established under chapter 473, only those which are certified to be in compliance with the comprehensive choice housing objectives under section 2, subdivision 3, clause (4), shall be eligible to receive aid payments, including, but not limited to, homestead and agricultural credit payments, from the local government trust fund in the calendar year following the year in which certification was made. Aid amounts for cities and towns deemed not to be in compliance with the comprehensive choice housing objectives under section 2, subdivision 3, clause (4), shall be distributed to the cities and towns in the metropolitan area certified by the metropolitan council to be in compliance, in proportion to each city's or town's share of local government aid and equalization aid under section 477A.013. For cities and towns which are partially within and partially without the area, this section shall apply to the proportion of the city's or town's aid equal to the population within the area divided by the total population of the city or town. For the purposes of this section, "population" means the population according to the most recent federal census, or according to the metropolitan council's most recent population estimates if the estimates have been issued subsequent to the most recent federal census.

Sec. 2. [473.202] [AFFORDABLE HOUSING.]

Subdivision 1. [POLICY; GOALS.] In order to protect and enhance the social and economic health of the metropolitan region and each community in the region, it is the legislature's policy to encourage development of a full range of housing options in every community in the metropolitan area. The legislature's goals are to: provide citizens with housing choices; remove barriers to the development of a comprehensive range of housing; create incentives for each community to develop housing that will serve residents as their income and housing needs change; reduce traffic congestion in the metropolitan area by providing people opportunities to live near their work in housing that is affordable to them; allow people to live near where jobs are being created; allow people to remain in their community as their situations and needs change; and have each community implement the housing policy and goals of the region.

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Affordable housing" means housing that requires households to expend no more than 30 percent of their household income on housing and housing related expenses.

(b) "Comprehensive choice housing" means single-family and multifamily housing that is affordable for households with incomes less than or equal to 30 percent, 50 percent, and 80 percent of median income.

(c) "Comprehensive choice housing allotment" means a city's or town's allocation of comprehensive choice housing distributed on a fair-share basis under subdivision 3.

(d) "Median income" means median household income, adjusted for family size, for the Minneapolis-St. Paul metropolitan statistical area as determined by the federal Department of Housing and Urban Development.

(e) "Substantial compliance" means that at least 75 percent of the cities and towns in a sector of the metropolitan area are certified as meeting the comprehensive choice requirements under subdivision 3, clause (4).

Subd. 3. [COMPREHENSIVE CHOICE HOUSING ALLOTMENT, RULES.] Before July 1, 1994, the metropolitan council shall adopt rules for establishing comprehensive choice housing in the metropolitan urban service area and freestanding growth centers. The council shall contract with the office of administrative hearings to conduct public hearings to adopt rules under this subdivision. The council shall give notice at least 30 days before the hearing by publishing a notice in the State Register and mailing a notice to persons and groups who have requested notification. At the hearing, the public shall have an opportunity to give testimony and question council representatives and council staff. Rules adopted under this subdivision must:

(1) analyze the metropolitan urban service area's and freestanding growth centers' present and prospective need for comprehensive choice housing, including the need for multifamily and single-family housing for individuals and households at 30 percent, 50 percent, and 80 percent of median income. Local, state, and federal agencies shall work cooperatively with the council to identify, collect, and augment relevant data and studies without duplicating other analytical efforts;

(2) allocate the metropolitan urban service area's and freestanding growth centers' comprehensive choice housing needs, on a fair-share basis, to cities and towns in the metropolitan urban service area and freestanding growth centers' area.

Using the most current and reliable information available, the council shall develop a formula for allocating the metropolitan area's comprehensive choice housing needs to cities and towns within the metropolitan urban service area and freestanding growth centers. The formula developed by the council shall include the following factors:

(i) distribution of housing units by value or rent and the proportion of those units affordable to households earning 30 percent, 50 percent, and 80 percent of median income considering housing tenure, type and availability;

(ii) income distribution of households considering the number of households with incomes that are 30 percent, 50 percent, and 80 percent of median income, and the proportion of those households paying more than 30 percent of their household income on housing and housing related expenses;

(iii) job base, considering those jobs that provide employment opportunities for lower-income households and the ratio of jobs to households;

(iv) future development potential considering vacant land, the council's forecasts of households and employment, and the annual deviation from the council's forecasts resulting from variation in overall housing construction in the metropolitan area;

(v) future redevelopment potential in cities and towns with adequate supplies of vacant land to meet their allocation needs, considering age and value of housing, and redevelopment plans of cities and towns; and

(vi) cities' and towns' current and past efforts to provide and sanction housing or housing assistance for low-income households;

(3) determine the extent to which each city or town has, in the past, accomplished its comprehensive choice housing allotment. For the purpose of determining substantial compliance with choice housing allotment, full credit shall be given for current and past efforts to provide affordable housing;

(4) describe actions that a city or town may take to:

(i) eliminate barriers to comprehensive choice housing including, but not limited to, the elimination of zoning requirements, development agreements, and local development practices that impose barriers to the development of comprehensive choice housing;

(ii) utilize available opportunities that will meet the objective of providing comprehensive choice housing development; and

(iii) maintain housing affordability;

(5) establish annual review procedures, requirements, and guidelines for council review and certification of city and town compliance with the fair-share housing allocation; and

(6) establish procedures through which the council shall adopt and execute a plan to facilitate, coordinate, and, subject to its authority under sections 473.194 to 473.201, cause the development of affordable comprehensive choice housing in all cities and towns where the supply of affordable housing is inadequate to meet the objectives under this section. Based on the factors in clause (2), the plan shall prioritize the proposed development of affordable comprehensive choice housing in inverse proportion to the percentage of available low- and moderate-income housing in each respective city or town.

Subd. 4. [PERIODIC REVIEW OF COMPREHENSIVE CHOICE HOUSING ALLOTMENT RULES.] The council shall review and assess the comprehensive choice housing allotment rules at least every five years following their effective date. No major changes to rules for allocating comprehensive choice housing or evaluating compliance under subdivision 3, clause (4), shall be made until 90 days after a report to the legislature on proposed changes to the comprehensive choice housing allotment rules. The report must be submitted to the legislature in January.

Subd. 5. [COMPREHENSIVE CHOICE HOUSING COUNSELING.] The council may provide or contract for housing counseling services to promote comprehensive housing choice throughout the metropolitan area by providing services to poor persons living in areas of concentrated poverty by locating

available housing, counseling people on the advantages and disadvantages of housing locations, and offering on-site visits to available housing.

Subd. 6. [REVIEW AND CERTIFICATION.] (a) Beginning February 1, 1995, the council shall annually review and certify a city's or town's compliance with the objectives of comprehensive choice housing under subdivision 3, clause (4). A city or town shall be in compliance when it has taken all actions required by council rules adopted under the authority of subdivision 3, clause (4), or when it has achieved its comprehensive choice allotment under subdivision 3, clause (2).

(b) Before January 1, 1996, and each subsequent year, the council shall certify to the department of revenue, the cities and towns that are in compliance with the comprehensive choice housing objectives under subdivision 3, clause (4). At the time of certification, the council shall send a written notice to each uncertified city and town describing: the nature of the noncompliance, the types of corrective actions necessary for the city or town to be certified, and the penalties for noncompliance under subdivision 7 and section 16A.713.

(c) The council shall establish appeal procedures for uncertified cities and towns to obtain a review of the council's determination under this subdivision.

Subd. 7. [COUNCIL PENALTIES FOR NONCOMPLIANCE WITH THE COMPREHENSIVE CHOICE HOUSING ALLOTMENT.] After January 1, 1996, in addition to the penalties for noncompliance under section 16A.713, the council shall not:

(1) approve, or favorably receive, any proposed project or plan for a sector in which the council finds substantial noncompliance with the comprehensive choice housing objectives that will grant any extensions to urban service area boundaries, except to address environmental contamination problems or in demonstrated cases of undue economic hardship for the property owner affected and in cases of undue economic hardships for no more than ten acres; or

(2) approve any element of a plan or proposed project that will grant any increased sewer service or access for a city or town that is not certified by the council under subdivision 6, except to address environmental contamination problems or in demonstrated cases of undue economic hardship for the property owner affected.

For purposes of this subdivision, the council shall define sector on a case-by-case basis to mean any contiguous area that includes the proposed sewer, or sewer extension project and is served by the sewer, or proposed project or extension.

Sec. 3. [STATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council on metropolitan governance is established to provide a forum at the state level for education, discussion, identification of emerging regional needs and appropriate responses, and advice to the legislature on the present and future role of the metropolitan council, metropolitan agencies, and the local governmental units as defined in Minnesota Statutes, section 473.121. The creation of the advisory council shall not affect any otherwise existing reporting relationships of the council, metropolitan agencies, or the local governmental units to the legislature.

Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the duties and responsibilities of the council, metropolitan agencies, and the local governmental units.

(b) The advisory council may gather information, conduct research and analysis, and advise the legislature on matters related to the council's charge.

(c) The advisory council may conduct public hearings to inform the public and solicit opinion.

(d) The advisory council shall consult with local governmental units in making its recommendations.

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 15 members who serve at the pleasure of the appointing authority as follows:

(1) six legislators; three members of the senate appointed by the subcommittee on committees of the committee on rules and administration; and three members of the house of representatives appointed by the speaker; and

(2) nine public members who are residents of the metropolitan area; two appointed by the subcommittee on committees of the committee on rules and administration of the senate and two appointed by the speaker of the house of representatives; and five appointed by the governor.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] Legislative staff, the metropolitan council, and metropolitan agencies shall provide administrative and staff assistance when requested by the advisory council.

Sec. 4. [EXPENSES.]

The metropolitan council shall compensate the members of the advisory council. Public members are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are to be paid per diem and expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses at its first meeting and provide a copy to the metropolitan council.

Sec. 5. [APPLICATION.]

Sections 1 to 4 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Sections 3 and 4 are repealed June 30, 1994.

ARTICLE 7

CONTAMINATION TAX

Section 1. [270.91] [CONTAMINATION TAX.]

Subdivision 1. [IMPOSITION.] A tax is annually imposed on the contamination value of taxable real property in this state.

Subd. 2. [INITIAL TAX RATES.] Unless the rates under subdivision 3 or 4 apply, the tax imposed under this section equals 90 percent of the class rate for the property under section 273.13, multiplied by the local tax rate, multiplied by the contamination value of the property.

Subd. 3. [TAX RATES, NONRESPONSIBLE PARTY.] If neither the owner nor the operator of the taxable real property, in the assessment year, is a responsible person under chapter 115B or a responsible party under chapter 18D for the presence of contaminants on the property, unless subdivision 4 applies, the tax imposed under this section shall equal 25 percent of the class rate for the property under section 273.13, multiplied by the local tax rate, multiplied by the contamination value of the property. A no-association determination or good neighbor no-action determination by the commissioner of the pollution control agency shall be dispositive that the owner or operator is not a responsible person under chapter 115B for purposes of this section. Upon the request of the property owner or a county assessor, the commissioner shall make such a determination within 45 days.

Subd. 4. [TAX RATES AFTER PLAN APPROVAL.] (a) The tax imposed under this subdivision applies for the first assessment year that begins after one of the following occurs:

(1) a response plan for the property has been approved by the commissioner of the pollution control agency and work under the plan has begun; or

(2) the contaminants are asbestos and the property owner has in place an abatement plan for enclosure, removal, or encapsulation of the asbestos. To qualify under this clause, the property owner must either have entered into a binding contract with a licensed contractor for completion of the work or have obtained a license from the commissioner of health and begun the work. The abatement plan must provide for completion of the work within a reasonable time period, as determined by the assessors.

(b) To qualify under paragraph (a), the property owner must provide the assessor with a copy of: (1) the approved response plan, or (2) a copy of the asbestos abatement plan and contract for completion of the work or the owner's license to perform the work. The property owner also must file with the assessor an affidavit indicating when work under the response action plan or asbestos abatement plan began.

(c) The tax imposed under this subdivision equals 40 percent of the class rate for the property under section 273.13 multiplied by the local tax rate, multiplied by the contamination value of the property.

(d) If neither the owner nor operator of the taxable real property, in the assessment year, is a responsible person under chapter 115B or a responsible party under chapter 18D for the presence of contamination on the property the tax imposed under this subdivision shall equal ten percent of the class rate for the property under section 273.13, multiplied by the local tax rate, multiplied by the contamination value of the property.

Sec. 2. [270.92] [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] For purposes of sections 1 to 8, the following terms have the meanings given.

Subd. 2. [ASSESSMENT YEAR.] "Assessment year" means the assessment year for purposes of general ad valorem property taxes.

Subd. 3. [CONTAMINANT.] "Contaminant" means a harmful substance as defined in section 115B.25, subdivision 7a.

Subd. 4. [CONTAMINATED MARKET VALUE.] "Contaminated market value" is the amount determined under section 3.

Subd. 5. [PRESENCE OF CONTAMINANTS.] "Presence of contaminants on the property" includes the release or threatened release, as defined in section 115B.02, subdivision 15, of contaminants on the property.

Subd. 6. [RESPONSE PLAN.] "Response plan" means either a development action response plan, as defined in section 469.174, subdivision 17, or a response action plan under chapter 115B or a corrective action plan under chapter 18D.

Sec. 3. [270.93] [TAX BASE; CONTAMINATION VALUE.]

The contamination value of a parcel of property is the amount of the market value reduction, if any, that is granted for general ad valorem property tax purposes for the assessment year because of the presence of contaminants. The contamination value for a property may be no greater than the cost of a reasonable response plan for the property. These reductions in market value include those granted by a court, by a board of review, by the assessor upon petition or request of a property owner, or by the assessor. Reductions granted by the assessor are included only if the assessor reduced the property's market value for the presence of contaminants using an appraisal method or methods that are specifically designed or intended to adjust for the valuation effects of the presence of contaminants. The contamination value for a parcel with a reduction in value of less than \$10,000 is zero.

Sec. 4. [270.94] [EXEMPTION.]

The tax imposed by sections 1 to 8 does not apply to the contamination value of a parcel of property attributable to contaminants that were addressed by a response plan for the property, if the commissioner of the pollution control agency has certified that all the requirements of the plan have been satisfied. Upon the request of a county assessor or the property owner, the commissioner of the pollution control agency shall certify within 45 days whether the plan requirements have been satisfied. This exemption applies beginning for the first assessment year after the commissioner of the pollution control agency certifies that the response plan has been completed.

To qualify under this section, the property owner must provide the assessor with a copy of the certification by the commissioner of the pollution control agency of the completion of the response action plan.

Sec. 5. [270.95] [PAYMENT; ADMINISTRATION.]

The tax imposed under sections 1 to 8 is payable at the same time and manner as the regular ad valorem property tax. The tax is subject to the penalty, interest, lien, forfeiture, and any other rules for collection of the regular ad valorem property tax. If a reduction in market value that creates contamination value is granted after the ad valorem property tax has been paid, the contamination tax must be subtracted from the amount to be refunded to the property owner.

Sec. 6. [270.96] [DUTIES.]

Subdivision 1. [ASSESSORS.] Each assessor shall notify the county auditor of the contamination value under section 1, subdivisions 2 and 3, for each parcel of property within the assessor's jurisdiction. The assessor shall provide notice of the contamination value to the property owner by the later of June 1 of the assessment year or 30 days after the reduction in market value is finally granted.

Subd. 2. [AUDITOR.] The county auditor shall prepare separate lists of the contamination values for all property located in the county that are taxed under section 1, subdivision 2, and under section 1, subdivision 3. The commissioner shall prescribe the form of the listing. The auditor shall include the amount of the local and state contamination taxes on the contamination value for the assessment year on the regular ad valorem property tax statement under section 276.04.

Subd. 3. [TREASURER.] The county treasurer shall pay the proceeds of the tax, less the amount retained by the county for the cost of administration under section 8, to the commissioner at the same times and in the same manner provided for the ad valorem property tax settlements.

Subd. 4. [COURT ORDERED REDUCTIONS IN VALUE.] If a court orders a reduction in market value for purposes of the ad valorem property tax because of the presence of contaminants on the property, the court shall include in its order an offset for payment of the state tax on contaminated value under section 1.

Sec. 7. [270.97] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues derived from the tax, interest, and penalties received from the county in the contaminated site cleanup and development account in the general fund.

Sec. 8. [270.98] [LOCAL ADMINISTRATIVE COSTS.]

The county shall retain five percent of the total revenues derived from the tax, including interest and penalties, as compensation for administering the tax. The county board may reimburse municipalities for the services provided by assessors employed by the municipality in administering sections 1 to 12.

Sec. 9. [APPROPRIATION.]

The first \$5,000,000 of tax proceeds collected annually from the state tax on contaminated value is appropriated to the pollution abatement development fund established by article 8, section 3. Any amounts collected in excess of \$5,000,000 shall be paid by the commissioner to the county treasurers in the same proportion as the collections from each county of the state tax on contaminated value, and shall be paid by the county treasurers to the local units of government in the same manner as ad valorem property taxes.

Sec. 10. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 15. [VALUATION OF CONTAMINATED PROPERTIES.] (a) In determining the market value of property containing contaminants, the assessor shall reduce the market value of the property by the contamination value of the property. The contamination value is the amount of the market value reduction that results from the presence of the contaminants, but it may not exceed the cost of a reasonable response plan for the property.

(b) For purposes of this subdivision, "contaminants" and "response plan" have the meanings given in section 2.

Sec. 11. Minnesota Statutes 1992, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) The notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes; and

(6) *the contamination tax imposed on properties which received market value reductions for contamination.*

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 12. Minnesota Statutes 1992, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. *The amount of the state tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated.* The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief";

(6) the net tax payable in the manner required in paragraph (a); and

(7) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.61. These amounts shall be listed as "voter approved referenda levies."

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective beginning with taxes assessed in 1994, payable in 1995, and apply to reductions in market value in effect for the year regardless of when they were granted.

ARTICLE 8

POLLUTION ABATEMENT LOAN AND GRANT PROGRAM

Section 1. [116J.987] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] In addition to the definitions in section 116J.03; the definitions in this section apply to sections 116J.987 to 116J.990.

Subd. 2. [MUNICIPALITY.] "Municipality" means a home rule charter or statutory city, town, county, school district, special taxing district, housing and redevelopment authority authorized to exercise powers under sections 469.001 to 469.047, port authority authorized to exercise powers under sections 469.048 to 469.089, economic development authority authorized to exercise powers under sections 469.090 to 469.1081, or municipal power agency governed by chapter 453.

Subd. 3. [POLLUTION ABATEMENT DEVELOPMENT GRANT.] "Pollution abatement development grant" means a grant to a municipality to be used by the municipality for the purposes of section 116J.990, subdivision 3, clause (6).

Subd. 4. [POLLUTION ABATEMENT DEVELOPMENT LOAN.] "Pollution abatement development loan" means a loan to a municipality to be used by the municipality for the purposes of section 116J.990, subdivision 3, clause (6).

Subd. 5. [RESPONSE PLAN.] "Response plan" means a development response action plan for removal, remedial, or corrective actions under section 469.174, subdivision 17, or a voluntary response action plan under section 115B.175.

Subd. 6. [TERMS DEFINED IN OTHER CHAPTERS.] "Facility," "federal Superfund Act," "hazardous substance," "pollutant or contaminant," "release," "remedy or remedial action," "removal action," and "response" have the meanings given in section 115B.02. "Corrective action" and "petroleum" have the meanings given in section 115C.02.

Sec. 2. [116J.988] [ADDITIONAL POWERS OF COMMISSIONER.]

For the purposes of sections 116J.987 to 116J.990, the commissioner may exercise the powers of the public facilities authority in section 446A.04 and may issue bonds under sections 446A.12 to 446A.20.

Sec. 3. [116J.989] [POLLUTION ABATEMENT DEVELOPMENT LOAN FUND.]

Subdivision 1. [ESTABLISHMENT.] A pollution abatement development fund is established in the state treasury and administered by the commissioner. The fund consists of money appropriated to it by the legislature, other public or private funding sources, and earnings on assets in the fund.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Money in the fund is appropriated for the following purposes:

- (1) to make pollution abatement development grants;*
- (2) to make or buy pollution abatement development loans;*

(3) to pay the costs incurred in making or buying grants and loans under section 116J.990;

(4) to provide a source of revenue or security for the payment of principal and interest on bonds issued by the department, provided all of the bond proceeds are credited to the fund and used pursuant to sections 116J.987 to 116J.990; or

(5) to subsidize the interest rate on loans under section 116J.990.

Subd. 3. [SEPARATE ACCOUNTS.] The commissioner may require the commissioner of finance to create separate accounts within the fund to account for any money subject to limitation on use.

Sec. 4. [116J.990] [POLLUTION ABATEMENT DEVELOPMENT LOANS AND GRANTS.]

Subdivision 1. [AUTHORIZATION.] The commissioner may make or buy pollution abatement development loans with money from the pollution abatement development fund to pay up to 40 percent of the cost of a response plan. The commissioner may make a grant with money from the fund to pay up to one-half of the cost of a response plan. Both a loan and grant may be used to provide 90 percent funding for a single response plan.

Subd. 2. [LOAN REPAYMENT OBLIGATIONS.] (a) A municipality's obligation to repay a pollution abatement development loan must be evidenced by a revenue agreement with the commissioner. Loan repayment obligations are payable as a general obligation backed by the full faith and credit of the municipality. Payments made by the municipality under the revenue agreement may be less than or equal to the principal amount of the loan as determined by the commissioner based on the available sources of payment under this section. The loan may be interest free for a maximum period of five years. Thereafter the interest on the loan is at a rate and on terms set by the commissioner.

(b) A municipality must provide a local match equal to ten percent of the cost of a response plan from unrestricted money available to the municipality, excluding tax increment.

Subd. 3. [LOAN AND GRANT APPLICATION.] To obtain a contamination cleanup development grant, the development authority shall apply to the commissioner. The governing body of the municipality must approve, by resolution, the application. The commissioner shall prescribe and provide the application form. The application must include at least the following information:

(1) identification of the site;

(2) the proposed or approved response action plan for the site;

(3) the results of engineering and other tests showing the nature and extent of the release of contaminants on site or the threatened release of contaminants onto the site;

(4) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;

(5) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value,

prepared by a qualified independent appraiser using accepted appraisal methodology;

(6) an assessment of the immediate or long-term potential hazard to the public health and safety resulting from a failure to implement the response action plan;

(7) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;

(8) the manner in which the municipality will meet the local match requirement;

(9) any additional information or material that the commissioner prescribes;

(10) if applicable, that the municipality has previously received a pollution abatement development grant or loan for the property and in the course of carrying out the response plan has determined that the response plan should be amended or supplemented to provide for additional removal, remedial, or corrective actions; and

(11) if applicable, that the commissioner of the pollution control agency has reviewed and approved the amendment or supplement to the response plan reflecting the additional removal, remedial, or corrective actions taken under clause (10).

Subd. 4. [LOAN AND GRANT PRIORITY AND RESTRICTIONS.] (a) On receipt of a loan or grant application, the pollution control agency shall advise the commissioner on the application based on the following criteria:

(1) the nature, desirability, and appropriateness of the applicant's proposed remedial action; and

(2) whether entry into the agreement will expedite undertaking a remedy or remedial action.

(b) Complete or permanent remedial action is not required unless the pollution control agency determines that a failure to do so would:

(i) interfere with the implementation of a future remedy or remedial action;

(ii) result in an action that would significantly contribute to the release or threat of release of a hazardous substance or pollutant or contaminant; or

(iii) pose health risks for persons in the vicinity of the real property or facility.

(c) The commissioner shall make a selection based on the following criteria:

(1) the recommendation of the pollution control agency;

(2) the recommendation of a municipality as to the desirability of the development or redevelopment;

(3) the location and importance of the real property or facility to the municipality and the state in terms of the desirability of the development or redevelopment;

(4) the amount of proposed new investment in the real property or facility;

(5) whether the municipality will create a tax increment district or subdistrict to fund repayment of the loan; and

(6) whether the proposed development or redevelopment will leverage state expenditures.

(d) The amount made available by the combination of loans and grants must not exceed a total of \$5,000,000 for a site.

(e) Loans and grants must be made quarterly to applicants. If the commissioner determines that money in the fund is insufficient to make all loans and grants properly applied for, preference must be given first to applicants that meet the criteria described in paragraph (f) and subdivision 3, clauses (10) and (11). Applicants who are otherwise qualified but are not awarded a loan or grant due to a lack of available funds must be given preference on the next award date when funds are available.

(f) The award of grants and loans is limited as follows:

(1) not more than 70 percent of the available funds may be allocated to municipalities located in the metropolitan area as defined in section 473.121, subdivision 2; and

(2) not more than 33-1/3 percent of the available funds may be allocated to a single municipality.

If the requests for funds for qualified projects from outside the metropolitan area or from municipalities having less than 33-1/3 percent of the available funds in any year are insufficient to utilize all available funds, the funds may be allocated without regard to the limitation in this section. Any allocation of these funds without regard to the limitation in this section does not affect a municipality's later application for a loan or grant.

(g) A pollution abatement development loan or grant may not be made, unless approved by the pollution control agency, for a site for which removal, remedial, or corrective actions are scheduled by the pollution control agency to be initially funded during the current or next fiscal year under the federal Superfund Act, the Leaking Underground Storage Tank Trust Fund, United States Code, title 42, section 6991b, the environmental response, compensation, and compliance account under section 115B.20, the petroleum tank release cleanup account under section 115C.08, or another state funding source.

(h) Pollution abatement loans and grants may be made only if the appraised value of the contaminated portion of the site (1) for which the procedures of section 115B.17, subdivision 1, paragraph (a), clause (1), have not been completed, and (2) after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology is less than the estimated cleanup costs for the site or the cost of the response plan exceeds \$2-per square foot for the contaminated portion of the site.

Subd. 5. [LOAN OR GRANT APPROVAL.] (a) On approval of a loan or grant, the commissioner shall notify the municipality:

(1) of the amount of the loan or grant;

(2) that the approved amount is in a special account in the pollution abatement development loan fund established in section 116J.989; and

(3) that the loan or grant will be made when the terms for making and repaying the loan have been agreed to by the commissioner and the municipality.

(b) The loan must be evidenced by instruments prepared under this section and the law under which the municipality proposes to issue its obligation.

Subd. 6. [ACCOUNTING OF COSTS.] Upon completion of the response plan, the municipality shall submit to the commissioner an accounting of costs incurred and any unexpended loan or grant proceeds, including any unexpended investment earnings on proceeds, which must be applied to the payment of the obligation under the loan agreement.

Subd. 7. [AUTHORIZATION TO BORROW.] Notwithstanding any general or special law or charter to the contrary, a municipality may borrow from the fund by entering into a revenue agreement between the municipality and the commissioner. The commissioner may require the municipality to issue a note payable to the department or a fiduciary for the department consistent with the terms of the revenue agreement. The security for the repayment of the obligation evidenced by the revenue agreement or the note must be the full faith and credit of the municipality. The revenue agreement or note is an obligation under section 475.51, subdivision 3, but the issuance of the obligation is not otherwise subject to chapter 475.

Subd. 8. [RESPONSE PLAN EXPENSE RECOVERY ACTIONS.] (a) The commissioner shall notify the attorney general whenever the commissioner makes a loan or grant under sections 116J.987 to 116J.990.

Any reasonable and necessary expenses incurred by the municipality for any removal or remedial action approved by the agency or commissioner pursuant to this chapter and consistent with section 115B.17, subdivision 1, including all response costs, administrative and legal expenses, but not including any costs related to operation of the loan and grant program, the development of the property, or other costs not directly required by the approved response action plan, may be recovered in a civil action brought by the attorney general against any person who may be liable under section 115B.04 or any other law, provided that no such cost recovery action can be brought by the attorney general, the municipality, or any other person affiliated with the pollution abatement development program, against a potentially responsible person, for any costs incurred under this chapter unless the procedures of 115B.17, subdivision 1, paragraph (a), clause (1), have been completed with respect to the potentially responsible person. Nothing herein restricts the right of any person named as a party in any civil action brought by the attorney general from naming other potentially responsible parties in that action, notwithstanding any inaction by the agency or commissioner pursuant to section 115B.17.

(b) If the attorney general brings an action under paragraph (a), clause (1), the municipality shall certify its reasonable and necessary expenses to implement the response plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the municipality is prima facie evidence that the expenses are reasonable and necessary.

(c) The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (a), clause (1). Money recovered or paid to the attorney general for litigation expenses under this paragraph must be credited to the general fund. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

Money recovered in an action brought under this subdivision in excess of the amounts paid to the attorney general for litigation expenses must be credited to the pollution abatement development fund established in section 116J.989.

Subd. 9. [RULES.] The commissioner may adopt rules to implement this section.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE 9

INCOME TAX

Section 1. Minnesota Statutes 1992, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month.

(2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month. An employer who, during the previous

quarter, withheld more than \$500 of tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2; must deposit tax withheld under those sections with the commissioner within the time allowed to deposit the employer's federal withheld employment taxes under Treasury Regulation, section 31.6302-1 without regard to the safe harbor or de minimus rules in subparagraph (f) or the one-day rule in subsection (c), clause (3). Taxpayers must submit a copy of their federal notice of deposit status to the commissioner upon request by the commissioner.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds \$240,000, the employer must remit each required deposit in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the deposit is due. If the date the deposit is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the deposit is due.

Sec. 2. Minnesota Statutes 1992, section 289A.26, subdivision 7, is amended to read:

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1)(i) for tax years beginning in calendar year 1992, 93 97 percent of the tax shown on the return for the taxable year, or, if no return is filed, 93 97 percent of the tax for that year; or

(ii) for tax years beginning after December 31, 1992, 95 percent of the tax shown on the return for the taxable year, or if no return is filed 95 percent of the tax for that year; or

(2) 100 percent of the tax shown on the return of the entity for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the entity.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any

predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

For the following required installments:	for tax years beginning in 1992	The applicable percentage is:	for tax years beginning after December 31, 1992
1st	23.25	24.25	23.75
2nd	46.5	48.5	47.5
3rd	69.75	72.75	71.25
4th	93	97	95

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the entity determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Sec. 3. Minnesota Statutes 1992, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate

investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provisions of section 11702 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, and the provisions of sections 11701 and 11703 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1989, shall be in effect for taxable years beginning after December 31, 1989. The provisions of sections 11321, 11322, 11324, 11325, 11403, 11404, 11410, and 11521 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1990, shall be in effect for taxable years beginning after December 31, 1990.

The Internal Revenue Code of 1986, as amended through December 31, 1991, shall be in effect for taxable years beginning after December 31, 1991.

The provisions of sections 1936 and 1937 of the Comprehensive National Energy Policy Act of 1992, Public Law Number 102-486, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1992, shall be in effect for taxable years beginning after December 31, 1992.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 4. Minnesota Statutes 1992, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income tax is the last itemized deduction disallowed; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729; and

(5) the amount of any deduction taken under section 162(a)(1) of the Internal Revenue Code for the taxable year for wages, salary, and bonuses in excess of \$1,000,000 paid to any employee.

Sec. 5. Minnesota Statutes 1992, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; or the District of Columbia;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any windfall profits tax deducted under section 164 or 471 of the Internal Revenue Code;

(5) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(6) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code;

(7) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(8) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(9) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code;

(10) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(11) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(12) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities; and

(13) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g); and

(14) the amount of any deduction taken under section 162(a)(1) of the Internal Revenue Code for the taxable year for wages, salary, and bonuses in excess of \$1,000,000 paid to any employee.

Sec. 6. Minnesota Statutes 1992, section 290.191, subdivision 4, is amended to read:

Subd. 4. [APPORTIONMENT FORMULA FOR CERTAIN MAIL ORDER BUSINESSES.] If the business of a corporation, partnership, or proprietorship consists exclusively of the selling of tangible personal property and services in response to orders received by United States mail or telephone, and 99 percent of the taxpayer's property and payroll is within Minnesota, then the taxpayer may apportion net income to Minnesota based solely upon the percentage that the sales made within this state in connection with the trade or business during the tax period are of the total sales wherever made in connection with the trade or business during the tax period. Property and payroll factors are disregarded. In determining eligibility for this subdivision:

- (1) the sale not in the ordinary course of business of tangible or intangible assets used in conducting business activities must be disregarded; and
- (2) property and payroll at a distribution center outside of Minnesota are disregarded if the sole activity at the distribution center is the filling of orders, and no solicitation of orders occurs at the distribution center.

Sec. 7. [ADJUSTMENT OF WITHHOLDING TABLES.]

The commissioner of revenue shall adjust withholding tax tables used for purposes of Minnesota Statutes, section 290.92, to take into account changes in potential tax liabilities attributable to the effect of the inflation adjustment of income tax brackets under Minnesota Statutes, section 290.06, subdivision 2d, and the inflation adjustment of the amount of the deduction for personal exemptions under section 151(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1992. The adjusted withholding tax tables shall be published as soon as practicable.

Sec. 8. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1992" for the words "Internal Revenue Code of 1986, as amended through December 31, 1991" where the phrase occurs in chapters 289A, 290, 290A, 291, and 297, except for section 290.01, subdivision 19, and for the words "Internal Revenue Code of 1986, as amended through December 31, 1988," where the phrase occurs in chapter 298. In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1992," for references to the Internal Revenue Code of 1954 or the Internal Revenue Code of 1986, as amended through dates set in sections 61A.276, 82A.02, 136.58, 181B.02, 181B.07, 246A.23, 246A.26, subdivisions 1, 2, 3, and 4, 272.02, subdivision 1, 273.11, subdivision 8, 297A.01, subdivision 3, 297A.25, subdivision 25, 352.01, subdivision 2b, 354A.021, subdivision 5, 355.01, subdivision 9, and 356.62.

Sec. 9. [EFFECTIVE DATE.]

Section 1 is effective for payments received after December 31, 1993.

Section 2 is effective for tax years beginning after December 31, 1993.

Sections 3, 4, and 6 are effective for tax years beginning after December 31, 1992.

Section 5 is effective the day following final enactment.

ARTICLE 10
SALES AND SPECIAL TAXES

Section 1. Minnesota Statutes 1992, section 115B.22, subdivision 7, is amended to read:

Subd. 7. [DISPOSITION OF PROCEEDS.] *After reimbursement to the department of revenue for costs incurred in administering sections 115B.22 and 115B.24, the proceeds of the taxes imposed under this section including any interest and penalties shall be deposited in the environmental response, compensation, and compliance account.*

Sec. 2. Minnesota Statutes 1992, section 239.785, is amended to read:

239.785 [LIQUEFIED PETROLEUM GAS SALES.]

Subdivision 1. [LIABILITY FOR PAYMENT.] (a) The operator of a terminal that sells located in Minnesota from which liquefied petroleum gas for resale to retail customers is dispensed for use or sale in this state other than for delivery to another terminal shall pay a fee equal to one mill for each gallon of liquefied petroleum gas sold by the terminal dispensed.

(b) Any person in Minnesota, other than the operator of a terminal, receiving liquefied petroleum gas from a source outside of Minnesota for use or sale in this state shall pay a fee equal to one mill for each gallon of liquefied petroleum gas received.

Subd. 2. [DUE DATES FOR FILING OF RETURNS AND PAYMENT.] The fee must be remitted monthly to on a form prescribed by the commissioner of revenue for deposit in the general fund. The fee must be paid and the return filed on or before the 23rd day of each month following the month in which the liquefied petroleum gas was delivered or received.

Subd. 3. [PENALTIES.] An operator or person who fails to pay the fee imposed under this section is subject to the penalties provided in sections 296.15 and 296.25.

Subd. 4. [COMMISSIONER'S AUTHORITY.] The provisions of chapter 296 relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the fee imposed by this section.

Subd. 5. [INTEREST.] Fees and penalties are subject to interest at the rate provided in section 270.75.

Sec. 3. Minnesota Statutes 1992, section 270B.08, subdivision 1, is amended to read:

Subdivision 1. [PERMIT AUTHORIZATION INFORMATION.] *The commissioner may disclose to any person making an inquiry regarding the issuance of a sales tax permit to authorization to conduct taxable sales of a specific retailer whether a permit authorization has been issued granted to the retailer, the name and address of the permit holder retailer, the business name and location, the sales and use tax account number, and the date of issuance of the permit authorization.*

Sec. 4. Minnesota Statutes 1992, section 270B.08, subdivision 2, is amended to read:

Subd. 2. [REVOCAION.] When a taxpayer's *authorization to conduct taxable sales tax permit* has been revoked under section 297A.07, the commissioner may disclose data identifying the holder of the revoked *permit authorization* and the basis for the revocation.

Sec. 5. Minnesota Statutes 1992, section 289A.11, subdivision 1, is amended to read:

Subdivision 1. [RETURN REQUIRED.] Except as provided in section 289A.18, subdivision 4, for the month in which taxes imposed by sections 297A.01 to 297A.44 are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form the commissioner prescribes. The return must be verified by a written declaration that it is made under the criminal penalties for making a false return, and in addition must contain a confession of judgment for the amount of the tax shown due to the extent not timely paid. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner.

Notwithstanding this subdivision, a person who is not required to hold a *sales tax permit* have *authorization to conduct taxable sales* under chapter 297A and who makes annual purchases of less than \$5,000 that are subject to the use tax imposed by section 297A.14, may file an annual use tax return on a form prescribed by the commissioner. If a person who qualifies for an annual use tax reporting period is required to obtain a *sales tax permit authorization to conduct taxable sales* or makes use tax purchases in excess of \$5,000 during the calendar year, the reporting period must be considered ended at the end of the month in which the *permit authorization* is applied for or the purchase in excess of \$5,000 is made and a return must be filed for the preceding reporting period.

Sec. 6. Minnesota Statutes 1992, section 289A.56, subdivision 3, is amended to read:

Subd. 3. [WITHHOLDING TAX, ENTERTAINER WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, ESTATE TAX, AND SALES TAX OVERPAYMENTS.] When a refund is due for overpayments of withholding tax, entertainer withholding tax, withholding from payments to out-of-state contractors, or estate tax, or ~~sales tax~~, interest is computed from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.

For purposes of computing interest on sales and use tax refunds, interest is paid from the date of payment to the date the refund is paid or credited, provided the refund claim includes a detailed schedule reflecting the tax periods covered in the claim. When the refund claim submitted does not include a detailed schedule reflecting the tax periods covered in the claim, interest is computed from the date the claim was filed.

Sec. 7. Minnesota Statutes 1992, section 289A.63, subdivision 3, is amended to read:

Subd. 3. [SALES WITHOUT ~~PERMIT~~ AUTHORIZATION; VIOLATIONS.] (a) A person who engages in the business of making retail sales in Minnesota without the ~~permit~~ or ~~permits~~ ~~required~~ *authorization granted* under

chapter 297A, or a responsible officer of a corporation who so engages in business, is guilty of a gross misdemeanor.

(b) A person who engages in the business of making retail sales in Minnesota after revocation of a *permit authorization to conduct taxable sales* under section 297A.07, when the commissioner has not issued a *granted new permit authorization*, is guilty of a felony.

Sec. 8. Minnesota Statutes 1992, section 296.02, subdivision 8, is amended to read:

Subd. 8. [CREDITS FOR SALES TO GOVERNMENTS AND SCHOOLS.] A distributor shall be allowed a credit of 80 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold to the state, local units of government, or for use in the transportation of pupils to and from school-related events in ~~school~~ vehicles *owned by or under contract to a school district*. This reduction is in lieu of the reductions provided in subdivision 7.

Sec. 9. Minnesota Statutes 1992, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals, or drinks. "Sale" does not include:

(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities;

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served; or

(3) meals and lunches served at public and private schools, universities, or colleges. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events, except a world championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, health clubs, and spas or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state. Telephone service includes paging services and private communication service, as defined in United States Code, title 26, section 4252(d), except for private communication service purchased by an agent acting on behalf of the state lottery. The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale. The sale of natural gas to be used as a fuel in vehicles propelled by natural gas shall not be considered a sale for the purposes of this section;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9 or 53, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies *only* to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and

blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub pruning, bracing, spraying, and surgery; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) solid waste collection and disposal services as described in section 297A.45;

(viii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(ix) the furnishing for consideration of lodging, board and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 10. Minnesota Statutes 1992, section 297A.01, subdivision 6, is amended to read:

Subd. 6. "Use" includes the exercise of any right or power over tangible personal property, or tickets or admissions to places of amusement or athletic events, purchased from a retailer incident to the ownership of any interest in that property, except that it does not include the sale of that property in the regular course of business.

"Use" includes the consumption of printed materials which are consumed in the creation of nontaxable advertising that is distributed, either directly or indirectly, within Minnesota.

Sec. 11. Minnesota Statutes 1992, section 297A.01, subdivision 16, is amended to read:

Subd. 16. [CAPITAL EQUIPMENT.] Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing, fabricating, mining, quarrying, or refining a product to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, mining, quarrying, or refining facility in the state. For purposes of this subdivision, "mining" includes peat mining and "product" includes on-line computerized data retrieval services. Capital equipment does not include (1) machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility, except machinery and equipment used in the mining or production of taconite, (2) repair or replacement parts, or (3) machinery or equipment used to receive or store raw materials.

Sec. 12. Minnesota Statutes 1992, section 297A.04, is amended to read:

297A.04 [APPLICATIONS; MEMBER; VENDING MACHINES; FORM.]

Every person desiring to engage in the business of making retail sales within Minnesota shall file with the commissioner an application for a permit

and if such person has more than one place of business, an application for each place of business must be filed. A vending machine operator who has more than one vending machine location shall nevertheless be considered to have only one place of business for purposes of this section. An applicant who has no regular place of doing business and who moves from place to place shall be considered to have only one place of business and shall attach such permit to the applicant's cart, stand, truck or other merchandising device *authorization to conduct taxable sales*. The commissioner may require any person or class of persons obligated to file a use tax return under section 289A.11, subdivision 3, to file application for a *permit authorization to conduct taxable sales*. Every application for a *permit authorization to conduct taxable sales* shall be made upon a form prescribed by the commissioner and shall set forth the name under which the applicant intends to transact business, the location of the applicant's place or places of business, and such other information as the commissioner may require. The application shall be filed by the owner, if a natural person; by a member or partner, if the owner be is an association or partnership; by a person authorized to *sign file* the application, if the owner *be is* a corporation.

Sec. 13. Minnesota Statutes 1992, section 297A.041, is amended to read:

297A.041 [OPERATOR OF FLEA MARKETS; SELLER'S PERMITS AUTHORIZATION REQUIRED.]

The operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event, as a prerequisite to renting or leasing space on the premises owned or controlled by the operator to a person desiring to engage in or conduct business as a seller, shall obtain evidence that the seller is the holder of a *valid seller's permit issued authorized to conduct taxable sales* under section 297A.04, or a written statement from the seller that the seller is not offering for sale any item that is taxable under this chapter.

Flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event, as used in this section, means an activity involving a series of sales sufficient in number, scope, and character to constitute a regular course of business, and that would not qualify as an isolated or occasional sale under section 297A.25, subdivision 12.

This section does not apply to an operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, convention exhibit area, or similar selling event that is: (1) held in conjunction with a community sponsored festival that has a duration of four or fewer consecutive days no more than once a year; or (2) conducted by a nonprofit organization annually or less frequently.

Sec. 14. Minnesota Statutes 1992, section 297A.06, is amended to read:

297A.06 [PERMIT AUTHORIZATION TO CONDUCT TAXABLE SALES.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall *issue grant* to each applicant a *separate permit for each place of business within Minnesota*. A permit shall be *authorization to conduct taxable sales*. Authorization is valid until canceled or revoked but *shall is not be* assignable and *shall be is* valid only for the person in whose name it is *issued granted* and for the transaction of business at the

place ~~places~~ designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 15. Minnesota Statutes 1992, section 297A.065, is amended to read:

297A.065 [CANCELLATION OF ~~PERMITS~~ AUTHORIZATION.]

The commissioner may cancel a ~~permit~~ authorization to conduct taxable sales when one of the following conditions occurs:

(1) the ~~permit holder~~ retailer has not filed a sales or use tax return for one year or more;

(2) the ~~permit holder~~ retailer has not reported any sales or use tax liability on the ~~permit holder's~~ retailer's returns for two or more years; or

(3) the ~~permit holder~~ retailer requests cancellation of the ~~permit~~ authorization.

Sec. 16. Minnesota Statutes 1992, section 297A.07, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS.] If any person fails to comply with this chapter or the rules adopted under this chapter, without reasonable cause, the commissioner may schedule a hearing requiring the person to show cause why the ~~permit~~ or ~~permits~~ authorization to conduct taxable sales should not be revoked. The commissioner must give the person 15 days' notice in writing, specifying the time and place of the hearing and the reason for the proposed revocation. The notice shall also advise the person of the person's right to contest the revocation under this subdivision, the general procedures for a contested case hearing under chapter 14, and the notice requirement under subdivision 2. The notice may be served personally or by mail in the manner prescribed for service of an order of assessment.

Sec. 17. Minnesota Statutes 1992, section 297A.07, subdivision 2, is amended to read:

Subd. 2. [CONTESTING OF REVOCATION.] A person planning to contest the revocation of a sales tax ~~permit~~ authorization to conduct taxable sales must give the commissioner written notice of intent to do so five calendar days before the date of the hearing. If the person does not provide the notice and has no reasonable justification for not doing so, or does not attend the hearing, the commissioner may request a finding of default and recommendation for revocation by the administrative law judge.

Sec. 18. Minnesota Statutes 1992, section 297A.07, subdivision 3, is amended to read:

Subd. 3. [NEW ~~PERMITS~~ AUTHORIZATION AFTER REVOCATION.] The commissioner shall not ~~issue~~ grant a new ~~permit~~ authorization to conduct taxable sales or reinstate a revoked ~~permit~~ authorization after revocation unless the taxpayer applies for a ~~permit~~ authorization to conduct taxable sales and provides reasonable evidence of intention to comply with the sales and use tax laws and rules. The commissioner may require the applicant to supply security, in addition to that authorized by section 297A.28, as is reasonably necessary to insure compliance with the sales and use tax laws and rules.

Sec. 19. Minnesota Statutes 1992, section 297A.10, is amended to read:

297A.10 [EXEMPTION CERTIFICATE, DUTY OF RETAILER.]

The exemption certificate will conclusively relieve the retailer from collecting and remitting the tax only if taken in good faith from a purchaser who holds the *permit authorization to conduct taxable sales* provided for in section 297A.06.

Sec. 20. Minnesota Statutes 1992, section 297A.11, is amended to read:

297A.11 [CONTENT AND FORM OF EXEMPTION CERTIFICATE.]

The exemption certificate shall be signed by and bear the name and address of the purchaser, shall indicate the *sales tax account* number of the *permit* if any issued to the purchaser and shall indicate the general character of the property sold by the purchaser in the regular course of business and shall identify the property purchased. The certificate shall be substantially in such form as the commissioner may prescribe.

Sec. 21. Minnesota Statutes 1992, section 297A.135, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A tax of \$7.50 is imposed on the lease or rental in this state for not more than 28 days of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. *The tax is imposed at the rate of \$2.75 per day of the term of the lease or rental, not to exceed \$10.* The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service. It applies whether or not the vehicle is licensed in the state.

Sec. 22. Minnesota Statutes 1992, section 297A.14, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] For the privilege of using, storing, *distributing*, or consuming in Minnesota tangible personal property or taxable services purchased for use, storage, *distribution*, or consumption in this state, a use tax is imposed on every person in this state at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the items, unless the tax imposed by section 297A.02 was paid on the sales price.

A use tax is imposed on every person who uses, stores, *distributes*, or consumes tangible personal property in Minnesota which has been manufactured, fabricated, or assembled by the person from materials, either within or without this state, at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the materials contained in the tangible personal property, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 23. Minnesota Statutes 1992, section 297A.15, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR PAYMENT.] Liability for the payment of the use tax is not extinguished until the tax has been paid to Minnesota. However, a receipt from a retailer given to the purchaser pursuant to section 297A.16 relieves the purchaser of further liability for the tax to which the receipt refers, unless the purchaser knows or has reason to know that the retailer did not have a *permit authorization* to collect the tax.

Sec. 24. Minnesota Statutes 1992, section 297A.15, subdivision 4, is amended to read:

Subd. 4. [SEIZURE; COURT REVIEW.] The commissioner of revenue or the commissioner's duly authorized agents are empowered to seize and confiscate in the name of the state any truck, automobile or means of transportation not owned or operated by a common carrier, used in the illegal importation and transportation of any article or articles of tangible personal property by a retailer or the retailer's agent or employee who does not have a sales or use tax permit authorization to conduct taxable sales and has been engaging in transporting personal property into the state without payment of the tax. The commissioner may demand the forfeiture and sale of the truck, automobile or other means of transportation together with the property being transported illegally, unless the owner establishes to the satisfaction of the commissioner or the court that the owner had no notice or knowledge or reason to believe that the vehicle was used or intended to be used in any such violation. Within two days after the seizure, the person making the seizure shall deliver an inventory of the vehicle and property seized to the person from whom the seizure was made, if known, and to any person known or believed to have any right, title, interest or lien on the vehicle or property, and shall also file a copy with the commissioner. Within ten days after the date of service of the inventory, the person from whom the vehicle and property was seized or any person claiming an interest in the vehicle or property may file with the commissioner a demand for a judicial determination of the question as to whether the vehicle or property was lawfully subject to seizure and forfeiture. The commissioner, within 30 days, shall institute an action in the district court of the county where the seizure was made to determine the issue of forfeiture. The action shall be brought in the name of the state and shall be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and shall try and determine the issues of fact and law involved. Whenever a judgment of forfeiture is entered, the commissioner may, unless the judgment is stayed pending an appeal, cause the forfeited vehicle and property to be sold at public auction as provided by law. If a demand for judicial determination is made and no action is commenced as provided in this subdivision, the vehicle and property shall be released by the commissioner and redelivered to the person entitled to it. If no demand is made, the vehicle and property seized shall be deemed forfeited to the state by operation of law and may be disposed of by the commissioner as provided where there has been a judgment of forfeiture. The forfeiture and sale of the automobile, truck or other means of transportation, and of the property being transported illegally in it, is a penalty for the violation of this chapter. After deducting the expense of keeping the vehicle and property, the fee for seizure, and the costs of the sale, the commissioner shall pay from the funds collected all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the vehicle or property was being used or was intended to be used for or in connection with any such violation as specified in the order of the court, and shall pay the balance of the proceeds into the state treasury to be credited to the general fund. The state shall not be liable for any liens in excess of the proceeds from the sale after deductions provided. Any sale under the provisions of this section shall operate to free the vehicle and property sold from any and all liens on it, and appeal from the order of the district court will lie as in other civil cases.

For the purposes of this section, "common carrier" means any person engaged in transportation for hire of tangible personal property by motor vehicle, limited to (1) a person possessing a certificate or permit authorizing for-hire transportation of property from the interstate commerce commission

or the public utilities commission; or (2) any person transporting commodities defined as "exempt" in for-hire transportation; or (3) any person who pursuant to a contract with a person described in (1) or (2) above transports tangible personal property.

Sec. 25. Minnesota Statutes 1992, section 297A.21, subdivision 3, is amended to read:

Subd. 3. [OUT-OF-STATE RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] A retailer making retail sales from outside this state to a destination within this state and maintaining a place of business in this state shall file an application for a *permit authorization to conduct taxable sales* pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16.

Sec. 26. Minnesota Statutes 1992, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a *permit authorization to conduct taxable sales* pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be

taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it engages in any of the activities in paragraph (a) and (1) makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state. This paragraph does not apply to the tax imposed under section 297A.021.

Sec. 27. Minnesota Statutes 1992, section 297A.21, subdivision 5, is amended to read:

Subd. 5. [VOLUNTARY REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] A retailer making retail sales from outside this state to a destination within this state who is not required to collect and remit use tax may nevertheless voluntarily file an application for a ~~permit~~ *authorization to conduct taxable sales* pursuant to section 297A.04. If the application is granted, the retailer shall collect and remit the use tax as provided in section 297A.16 until the ~~permit~~ *authorization* is canceled or revoked.

Sec. 28. Minnesota Statutes 1992, section 297A.21, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER'S DISCRETION.] (a) The commissioner may decline to ~~issue a permit~~ *grant authorization to conduct taxable sales* to any retailer not maintaining a place of business in this state, or may cancel a ~~permit~~ *authorization* previously ~~issued~~ *granted* to the retailer, if the commissioner believes that the use tax can be collected more effectively from the persons using the property in this state. A refusal to ~~issue grant~~ or cancellation of a ~~permit~~ *authorization* on such grounds does not affect the retailer's right to make retail sales from outside this state to destinations within this state.

(b) When, in the opinion of the commissioner, it is necessary for the efficient administration of sections 297A.14 to 297A.25 to regard a salesperson, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom that person operates or from whom the person obtains the tangible personal property sold, whether making sales personally or in behalf of that dealer, distributor, supervisor, employer, or other person the commissioner may regard the salesperson, representative, trucker, peddler, or canvasser as such agent, and may regard the dealer, distributor, supervisor, employer, or other person as a retailer for the purposes of sections 297A.14 to 297A.25.

Sec. 29. Minnesota Statutes 1992, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, fever thermometers, and therapeutic, and prosthetic devices. "Prescribed drugs" or "prescribed medicine" includes over-the-counter drugs or medicine prescribed by a licensed physician. "Therapeutic devices" includes reusable finger pricking devices for the extraction of blood and, blood glucose monitoring machines, and other diagnostic agents, used in the monitoring, diagnosing, or treatment of diabetes. Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, or a combination thereof are exempt.

Sec. 30. Minnesota Statutes 1992, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Minnesota center for arts education, and school districts are exempt.

As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, educational cooperative service units, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, technical colleges, joint vocational technical districts, and any instrumentality of a school district, as defined in section 471.59.

Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii).

Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.

The sales to and exclusively for the use of libraries, as defined in section 134.001, of books, periodicals, audio-visual materials and equipment, photocopiers for use by the public, and all cataloging and circulation equipment, and cataloging and circulation software for library use are exempt under this subdivision. For purposes of this paragraph "libraries" means libraries as defined in section 134.001, county law libraries under chapter 134A, the state library under section 480.09, and the legislative reference library.

Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care; motor vehicle parts are not exempt under this provision. Sales to a political subdivision of repair and replacement

parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.394, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.

Sales to other states or political subdivisions of other states are exempt if the sale would be exempt from taxation if it occurred in that state.

Sec. 31. Minnesota Statutes 1992, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the property purchased is to be used in the performance of charitable, religious, or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. *For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.* Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, paragraphs (d) and (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii). This exemption shall not apply to building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.

Sec. 32. Minnesota Statutes 1992, section 297A.25, subdivision 34, is amended to read:

Subd. 34. [MOTOR VEHICLES.] The gross receipts from the sale or use of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of Minnesota shall be exempt from taxation under this chapter. Notwithstanding subdivision 11, the exemption provided under this subdivision remains in effect for motor vehicles purchased or leased by political subdivisions of the state if the vehicles are not subject to taxation under chapter 297B.

Sec. 33. Minnesota Statutes 1992, section 297A.25, subdivision 41, is amended to read:

Subd. 41. [BULLET-PROOF VESTS.] The gross receipts from the sale of bullet-resistant soft body armor that is flexible, concealable, and custom-fitted to provide the wearer with ballistic and trauma protection are exempt if purchased by a law enforcement agency of the state or a political subdivision of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1. The bullet-resistant soft body armor must meet or exceed the requirements of standard 0101.01 of the National Institute of Law Enforcement and Criminal Justice in effect on December 30, 1986, or meet or exceed the requirements of the standard except wet armor conditioning.

Sec. 34. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 52. [PARTS AND ACCESSORIES USED TO MAKE A MOTOR VEHICLE HANDICAPPED ACCESSIBLE.] *The gross receipts from the sale of parts and accessories that are used solely to modify a motor vehicle to make it handicapped accessible are exempt. Labor charges for modifying a motor vehicle to make it handicapped accessible are included in this exemption.*

Sec. 35. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 53. [LIVESTOCK; HORSES.] *The gross receipts from the sale of livestock, including cattle, sheep, swine, llamas, raiitae, farmed cervidae, mules, and horses other than race horses, are exempt.*

Sec. 36. [297A.253] [SATELLITE BROADCASTING FACILITY MATERIALS; EXEMPTIONS.]

Notwithstanding the provisions of this chapter, there shall be exempt from the tax imposed therein all materials and supplies or equipment used or consumed in constructing, or incorporated into the construction of, a new facility in Minnesota for providing federal communications commission licensed direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band or fixed satellite regional or national program services, as defined in section 272.02, subdivision 1, clause (15), construction of which was commenced after June 30, 1993, and all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all technical equipment or tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services.

Sec. 37. Minnesota Statutes 1992, section 297A.255, subdivision 2, is amended to read:

Subd. 2. In the case of an aircraft purchased from a dealer holding a valid sales and use tax permit authorized to conduct taxable sales as provided for

by this chapter, the applicant shall present proof that the tax has been paid to such dealer.

Sec. 38. Minnesota Statutes 1992, section 297A.255, subdivision 3, is amended to read:

Subd. 3. In the case of aircraft purchased from persons who are not the holder of valid sales and use tax permits authorized to conduct taxable sales under this chapter, the purchaser shall pay the tax to the department of revenue prior to registering or licensing such aircraft within this state. The commissioner of revenue shall issue a certificate stating that the sales and use tax in respect to the transaction has been paid.

Sec. 39. [349.2115] [SPORTS BOOKMAKING TAX.]

Subdivision 1. [IMPOSITION OF TAX.] *An excise tax of six percent is imposed on the value of all bets received by, recorded by, accepted by, forwarded by, or placed with a person engaged in sports bookmaking.*

Subd. 2. [BET DEFINED.] *For purposes of this section, the term "bet" has the meaning given it in section 609.75, subdivision 2.*

Subd. 3. [SPORTS BOOKMAKING DEFINED.] *For purposes of this section, the term "sports bookmaking" has the meaning given it in section 609.75, subdivision 7.*

Subd. 4. [AMOUNT OF BET.] *In determining the value or amount of any bet for purposes of this section, all charges incident to the placing of the bet must be included.*

Subd. 5. [TAX RETURNS.] *A person engaged in sports bookmaking shall file monthly tax returns with the commissioner, in the form required by the commissioner, of all bookmaking activity, and shall include information on all bets recorded, accepted, forwarded, and placed. The returns must be filed on or before the 20th day of the month following the month in which the bets reported were recorded, accepted, forwarded, or placed. The tax imposed by this section is due and payable at the time when the returns are filed.*

Subd. 6. [PERSONS LIABLE FOR TAX.] *Each person who is engaged in receiving, recording, forwarding, or accepting sports bookmaking bets is liable for and shall pay the tax imposed under this section.*

Subd. 7. [JEOPARDY ASSESSMENT; JEOPARDY COLLECTION.] *The tax may be assessed by the commissioner. An assessment made pursuant to this section shall be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed.*

Subd. 8. [DISCLOSURE PROHIBITED.] *(a) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a sports bookmaking tax return filed with the commissioner as required by this section, nor can any information contained in the report or*

return be used against the tax obligor in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this section, or as provided in section 270.064.

(b) Any person violating this section is guilty of a gross misdemeanor.

(c) This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of tax obligors or the contents of particular returns or reports.

Subd. 9. [DISPOSITION OF PROCEEDS.] The commissioner shall deposit the tax collected under this section in the state treasury. Thirty-one percent of the proceeds of the tax must be credited to the local government trust fund under section 16A.711, and the remainder credited to the general fund.

Sec. 40. Laws 1992, chapter 511, article 8, section 37, subdivision 3, is amended to read:

Subd. 3. [EFFECTIVE DATE.] This section is effective for projects begun during the time a county was designated as distressed under Minnesota Statutes, section 297A.257, if the capital equipment was placed in service after August 1, 1990.

Sec. 41. [REPEALER.]

Minnesota Statutes 1992, section 115B.24, subdivision 10, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Section 1 is effective for taxes due on or after July 1, 1993.

Section 2 is effective for fees due on or after July 1, 1993.

Sections 3 to 5, 7, 9, 12 to 20, 23 to 28, 30, 31, 33 to 38, and 41 are effective July 1, 1993.

Section 6 is effective for refund claims submitted on or after July 1, 1993.

Sections 10, 22, 29, 32, and 40 are effective the day following final enactment.

Section 11 is effective for sales after June 30, 1993.

Section 21 is effective for leases or rentals of motor vehicles after June 30, 1993.

ARTICLE 11

COLLECTIONS AND COMPLIANCE

Section 1. Minnesota Statutes 1992, section 60A.15, subdivision 2a, is amended to read:

Subd. 2a. [PROCEDURE FOR FILING AND ADJUSTMENT OF STATEMENTS AND TAXES.] (a) Every insurer required to pay a premium tax in this state shall make and file a statement of estimated premium taxes for the period covered by the installment tax payment. Such the installment tax payment. Such statement shall be in the form prescribed by the commissioner of revenue.

(b) On or before March 1, annually every insurer subject to taxation under this section shall make an annual return for the preceding calendar year setting forth such information as the commissioner of revenue may reasonably require on forms prescribed by the commissioner.

(c) On March 1, the insurer shall pay any additional amount due for the preceding calendar year; if there has been an overpayment, such overpayment may be credited without interest on the estimated tax due April 15.

(d) If unpaid by this date, penalties and interest as provided in section 290.53 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, shall be imposed.

Sec. 2. Minnesota Statutes 1992, section 60A.15, subdivision 9a, is amended to read:

Subd. 9a. [FAILURE TO FILE; PENALTIES AND INTEREST.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner of revenue in pursuance of law there shall be added to the tax penalties and interest as provided in section 289A.60, subdivision 2, as it relates to withholding and sales or use taxes.

Sec. 3. Minnesota Statutes 1992, section 60A.15, is amended by adding a subdivision to read:

Subd. 9e. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 4. Minnesota Statutes 1992, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the

commissioner a tax on premiums equal to three percent of the total written premiums less cancellations; and

(e) annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10); and

(f) *paying penalties imposed under section 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, if the tax due under clause (d) is not timely paid.*

Sec. 5. Minnesota Statutes 1992, section 60A.199, subdivision 4, is amended to read:

Subd. 4. [FAILURE TO FILE; PENALTIES AND INTEREST.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law there shall be added to the tax penalties and interest as provided in section 289A.60, subdivision 2, *as it relates to withholding and sales or use taxes.*

Sec. 6. Minnesota Statutes 1992, section 60A.199, is amended by adding a subdivision to read:

Subd. 6a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 7. Minnesota Statutes 1992, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) ~~summon subpoena~~ witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents *for inspection and copying* relating to any ~~tax~~ matter which the commissioner may have authority to investigate or determine. ~~Provided, that any summons;~~

(8) *issue a subpoena* which does not identify the person or persons with respect to whose ~~tax~~ liability the ~~summons subpoena~~ is issued ~~may be served~~, but only if (a) the ~~summons subpoena~~ relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any ~~tax~~ law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the ~~summons subpoena~~ is issued) is not readily available from other sources, (d) the ~~summons subpoena~~ is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. ~~Provided further that the party served with a summons subpoena which does not identify the person or persons with respect to whose tax liability the summons subpoena is issued shall have the right, within 20 days after service of the summons subpoena, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons subpoena is enforceable. If no such petition is made by the party served within the time prescribed, the summons subpoena shall have the force and effect of a court order;~~

(8) (9) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) (10) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) (11) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) (12) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) (13) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) (14) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) (15) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) (16) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) (17) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to *subpoena*, examine, and copy books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. *In addition to administrative subpoenas of the commissioner and the agents*, upon demand of the commissioner or an agent, the clerk or court administrator of any district court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent for *inspection and copying*. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter a court administrator's subpoena shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner or an agent, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) (18) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) (19) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

(19) (20) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;

(20) (21) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

(21) (22) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.

Sec. 8. Minnesota Statutes 1992, section 270.70, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the date of assessment of the tax, or if a lien has been filed, during the period the lien is enforceable, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property, including any property in the possession of law enforcement officials, of the person liable for the payment or collection of such tax (except that which is exempt from execution pursuant to section 550.37 and amounts received under United States Code, title 29, chapter 19, as amended through December 31, 1989) or property on which there is a lien provided in section 270.69. For this purpose, the term "tax" shall include any penalty, interest, and costs properly payable. The term "levy" includes the power of distraint and seizure by any means; *provided, no entry can be made upon the business premises or residence of a taxpayer in order to seize property without first obtaining a writ of entry listing the property to be seized and signed by a judge of the district court of the district in which the business premises or residence is located.*

Sec. 9. [270.78] [PENALTY FOR FAILURE TO MAKE PAYMENT BY ELECTRONIC FUNDS TRANSFER.]

In addition to other applicable penalties imposed by law, after notification from the commissioner of revenue to the taxpayer that payments for a tax administered by the commissioner are required to be made by means of electronic funds transfer, and the payments are remitted by some other means, there is a penalty in the amount of five percent of each payment that should have been remitted electronically. The penalty can be abated under the abatement procedures prescribed in section 270.07, subdivision 6, if the failure to remit the payment electronically is due to reasonable cause.

Sec. 10. Minnesota Statutes 1992, section 289A.18, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX RETURNS.] (a) Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period, except that annual use tax returns provided for under section 289A.11, subdivision 1, must be filed by April 15 following the close of the calendar year. ~~In addition, on or before June 20 of a year, a retailer who has a May liability of \$1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition~~

to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.

(b) Returns filed by retailers required to remit liabilities by means of funds transfer under section 289A.20, subdivision 4, paragraph (d), are due on or before the 25th day of the month following the close of the preceding reporting period. Returns filed under the second sentence of paragraph (a) by a retailer required to remit by means of funds transfer are due on June 25. The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the estimated June liability is due, and on or before August 25 of a year, the retailer must file a return showing the actual June liability.

(c) If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than \$500 per month in any quarter of a calendar year, and has substantially complied with the tax laws during the preceding four calendar quarters, the retailer may request authorization to file and pay the taxes quarterly in subsequent calendar quarters. The authorization remains in effect during the period in which the retailer's quarterly returns reflect sales and use tax liabilities of less than \$1,500 and there is continued compliance with state tax laws.

(d) If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than \$100 per month during a calendar year, and has substantially complied with the tax laws during that period, the retailer may request authorization to file and pay the taxes annually in subsequent years. The authorization remains in effect during the period in which the retailer's annual returns reflect sales and use tax liabilities of less than \$1,200 and there is continued compliance with state tax laws.

(e) The commissioner may also grant quarterly or annual filing and payment authorizations to retailers if the commissioner concludes that the retailers' future tax liabilities will be less than the monthly totals identified in paragraphs (c) and (d). An authorization granted under this paragraph is subject to the same conditions as an authorization granted under paragraphs (c) and (d).

Sec. 11. Minnesota Statutes 1992, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax

withheld during that quarter under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month.

(2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds ~~\$240,000~~ \$120,000, the employer must remit each required deposit in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the deposit is due. If the date the deposit is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the deposit is due.

Sec. 12. Minnesota Statutes 1992, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes, except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of ~~\$1,500~~ \$120,000 or more in ~~May~~ of *during a fiscal year ending June 30* must remit the June liability for the next year in the following manner:

(1) ~~On or~~ *Two business days* before June 20 30 of the year, the vendor must remit the actual May liability and ~~one-half~~ 75 percent of the estimated June liability to the commissioner.

(2) On or before August 20 14 of the year, the vendor must pay any additional amount of tax not remitted in June.

~~(3) If the vendor is required to remit by means of funds transfer as provided in paragraph (d), the vendor may remit the May liability as provided for in paragraph (e), but must remit one-half of the estimated June liability on or before June 14. The remaining amount of the June liability is due on August 14.~~

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches \$10.

(d) A vendor having a liability of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before ~~the date the tax is due~~ the 14th day of the month following the month in which the taxable event occurred, except for ~~the one-half 75 percent~~ of the estimated June liability, which is due ~~with the May liability on two business days before June 14~~ 30. The remaining amount of the June liability is due on August 14. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

(e) If the vendor required to remit by electronic funds transfer as provided in paragraph (d) is unable due to reasonable cause to determine the actual sales and use tax due on or before the due date for payment, the vendor may remit an estimate of the tax owed using one of the following options:

(1) 100 percent of the tax reported on the previous month's sales and use tax return;

(2) 100 percent of the tax reported on the sales and use tax return for the same month in the previous calendar year; or

(3) 95 percent of the actual tax due.

Any additional amount of tax that is not remitted on or before the due date for payment, must be remitted with the return. A vendor must notify the commissioner of the option that will be used to estimate the tax due, and must obtain approval from the commissioner to switch to another option. If a vendor fails to remit the actual liability or does not remit using one of the estimate options by the due date for payment, the vendor must remit actual liability as provided in paragraph (d) in all subsequent periods. This paragraph does not apply to the June sales and use liability.

Sec. 13. Minnesota Statutes 1992, section 289A.36, subdivision 3, is amended to read:

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of state tax law, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data for *inspection and copying*;

(2) examine under oath or affirmation any person regarding the business of any taxpayer concerning any relevant matter incident to the administration of state tax law. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies that may be available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action and disobedience of an injunction issued under this clause will be punished as a contempt of district court.

Sec. 14. Minnesota Statutes 1992, section 289A.36, subdivision 7, is amended to read:

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] ~~The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for an order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. If the subpoenaed party fails to comply with the order of the court, the party may be punished by the court as for contempt. Disobedience of subpoenas issued under this section shall be punished by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court.~~

Sec. 15. Minnesota Statutes 1992, section 289A.40, is amended by adding a subdivision to read:

Subd. 1a. [INDIVIDUAL INCOME TAXES; REASONABLE CAUSE.] If the taxpayer establishes reasonable cause for failing to timely file a claim for refund of an overpayment of individual income tax under subdivision 1, and if necessary, independently verifies the fact that an overpayment has been made, a claim for refund of an overpayment of individual income tax may be filed within ten years after the date prescribed for filing the return.

Sec. 16. Minnesota Statutes 1992, section 289A.60, subdivision 1, is amended to read:

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax *other than a withholding or sales or use tax* is not paid ~~or amounts required to be withheld are not remitted~~ within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is three percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

If a withholding or sales or use tax is not paid within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is five percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an

additional penalty of five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 15 percent in the aggregate.

Sec. 17. Minnesota Statutes 1992, section 289A.60, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return other than an income tax return of an individual, a withholding return, or sales or use tax return, within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

If a taxpayer fails to file an individual income tax return within six months after the date prescribed for filing of the return, a penalty of ten percent of the amount of tax not paid by the end of that six-month period is added to the tax.

If a taxpayer fails to file a withholding or sales or use tax return within the time prescribed, including an extension, a penalty of five percent of the amount of tax not timely paid is added to the tax.

Sec. 18. Minnesota Statutes 1992, section 289A.60, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file withholding or sales or use tax returns or timely pay withholding or sales or use taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 19. Minnesota Statutes 1992, section 289A.60, subdivision 15, is amended to read:

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and ~~one-half~~ 75 percent payment by a certain date, and the vendor fails to remit the balance due by the date required, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of: (1) 45 70 percent of the actual June liability, (2) ~~50~~ 75 percent of the preceding May's liability, or (3) ~~50~~ 75 percent of the average monthly liability for the previous calendar year.

Sec. 20. Minnesota Statutes 1992, section 289A.60, is amended by adding a subdivision to read:

Subd. 21. [PENALTY FOR FAILURE TO MAKE PAYMENT BY ELECTRONIC FUNDS TRANSFER.] In addition to other applicable penalties imposed by this section, after notification from the commissioner to the taxpayer that payments are required to be made by means of electronic funds transfer under section 289A.20, subdivision 2, paragraph (e), or 4, paragraph (d), or 289A.26, subdivision 2a, and the payments are remitted by some other means, there is a penalty in the amount of five percent of each payment that should have been remitted electronically. The penalty can be abated under the abatement procedures prescribed in section 270.07, subdivision 6, if the failure to remit the payment electronically is due to reasonable cause.

Sec. 21. Minnesota Statutes 1992, section 294.03, subdivision 1, is amended to read:

Subdivision 1. If any company, joint stock association, copartnership, corporation, or individual required by law to pay taxes to the state on a gross earnings basis shall fail to pay such tax or gross earnings percentage within the time specified by law for the payment thereof, or within 30 days after final determination of an appeal to the Minnesota tax court relating thereto, there shall be added a specific penalty equal to ~~ten~~ five percent of the amount so remaining unpaid if the failure is for not more than 30 days, with an additional penalty of five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 15 percent in the aggregate. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid.

Sec. 22. Minnesota Statutes 1992, section 294.03, subdivision 2, is amended to read:

Subd. 2. In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, unless it is shown that such failure is not due to willful neglect, there shall be added to the tax in lieu of the ten percent specific penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate a penalty of five percent of the amount of tax not timely paid. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For purposes of this subdivision, the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 23. Minnesota Statutes 1992, section 294.03, is amended by adding a subdivision to read:

Subd. 4. If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 24. Minnesota Statutes 1992, section 296.14, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if postmarked on or before the 23rd day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

If the aggregate remittances made during a fiscal year ending June 30 equal or exceed \$240,000 \$120,000, all remittances in the subsequent calendar year must be made by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the remittance is due. If the date the remittance is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the remittance is due.

Sec. 25. Minnesota Statutes 1992; section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX STAMPING MACHINES.] (a) The commissioner shall require any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor. A distributor having a liability of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all liabilities purchased on a credit basis in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

(b) If the commissioner finds that a stamping machine is not affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(c) The commissioner shall annually establish the maximum amount of heat applied stamps that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps purchased during the reporting period.

Sec. 26. Minnesota Statutes 1992, section 297.07, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY RETURN FILED WITH COMMISSIONER.] On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity of cigarettes manufactured or brought in from without the state or purchased during the preceding calendar month and the quantity of cigarettes sold or otherwise disposed of in this state and outside this state during that month. Every licensed distributor outside this state shall in like manner file a return showing the quantity of cigarettes shipped or transported into this state during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. The return shall be accompanied by a remittance for the full unpaid tax liability shown by it. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

Sec. 27. Minnesota Statutes 1992, section 297.07, subdivision 4, is amended to read:

Subd. 4. [ACCELERATED TAX PAYMENT.] Every distributor having a liability of ~~\$1,500~~ \$120,000 or more in ~~May 1987~~ or in May of each subsequent during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner required by this section:

~~On or (a) Two business days before June 18, 1987, or June 18 30 of each subsequent~~ the year, the distributor shall remit the actual May liability and ~~one-half~~ 75 percent of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) On or before ~~July 18, 1987, or July August~~ 18 of each ~~subsequent~~ the year, the distributor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) ~~45~~ 70 percent of the actual June liability, or (b) ~~50~~ 75 percent of the preceding May's liability.

Sec. 28. Minnesota Statutes 1992, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less 1.5 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

A distributor having a liability of ~~\$240,000~~ \$120,000 or more during a calendar year must remit all liabilities in the subsequent fiscal year ending June 30 by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 29. Minnesota Statutes 1992, section 297.35, subdivision 5, is amended to read:

Subd. 5. Every distributor having a liability of ~~\$1,500~~ \$120,000 or more ~~in May 1987 or in May of each subsequent~~ during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner ~~required by this section~~:

~~On or (a) Two business days before June 18, 1987, or June 18 30 of each subsequent~~ the year, the distributor shall remit the actual May liability and ~~one-half~~ 75 percent of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) On or before ~~July 18, 1987, or July August~~ 18 of each subsequent the year, the distributor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of ~~(a) 45~~ (1) 70 percent of the actual June liability, or ~~(b) 50~~ (2) 75 percent of the preceding May's liability.

Sec. 30. Minnesota Statutes 1992, section 297.43, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it, there shall be added to the tax a penalty equal to ~~three~~ five percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of ~~three~~ five percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof, not exceeding 24 15 percent in the aggregate.

Sec. 31. Minnesota Statutes 1992, section 297.43, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a person fails to make and file a return within the time required under sections 297.07, 297.23, and 297.35, there shall be added to the tax ~~three~~ five percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid for each additional 30 days or fraction thereof during which such failure continues, not exceeding 23 percent in the aggregate. The amount so added to any tax under this subdivision and subdivision 1 shall be collected at the same time and in the same manner and as a part of the tax and shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid, unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

In the case of a failure to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax; or (b) \$50.

Sec. 32. Minnesota Statutes 1992, section 297.43, is amended by adding a subdivision to read:

Subd. 4a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 33. Minnesota Statutes 1992, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; FAILURE TO PAY.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

A person liable for an excise tax of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 34. Minnesota Statutes 1992, section 297C.04, is amended to read:

297C.04 [PAYMENT OF TAX; MALT LIQUOR.]

The commissioner may by rule provide a reporting method for paying and collecting the excise tax on fermented malt beverages. The tax is imposed upon the first sale or importation made in this state by a licensed brewer or importer. The rules must require reports to be filed with and the excise tax to be paid to the commissioner on or before the 18th day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. The rules must also require payments in June of 1987 and subsequent years according to the provisions of section 297C.05, subdivision 2.

A distributor who has title to or possession of fermented malt beverages upon which the excise tax has not been paid and who knows that the tax has not been paid, shall file a return with the commissioner on or before the 18th day of the month following the month in which the distributor obtains title or possession of the fermented malt beverages. The return must be made on a form furnished and prescribed by the commissioner, and must contain all information that the commissioner requires. The return must be accompanied by a remittance for the full unpaid liability shown on it. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

A licensed brewer, importer, or distributor having an excise tax liability of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer

business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 35. Minnesota Statutes 1992, section 297C.05, subdivision 2, is amended to read:

Subd. 2. [ACCELERATED TAX PAYMENT.] Every person liable for tax under this chapter having a liability of ~~\$1,500~~ \$120,000 or more ~~in May 1987 or in May of each subsequent~~ during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner required by this section:

On or (a) Two business days before June 18, 1987, or June 18 30 of each subsequent year, the taxpayer shall remit the actual May liability and one-half 75 percent of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) On or before August 18, 1987, or August 18 of each subsequent year, the taxpayer shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is hereby imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) 45 (1) 70 percent of the actual June liability, or (b) 50 (2) 75 percent of the preceding May's liability.

Sec. 36. Minnesota Statutes 1992, section 297C.14, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it, there shall be added to the tax a penalty equal to three five percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of three five percent of the amount of tax unpaid during each additional 30 days or fraction thereof, not exceeding 24 15 percent in the aggregate.

Sec. 37. Minnesota Statutes 1992, section 297C.14, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a person fails to make and file a return within the time required by this chapter or an extension of time, there shall be added to the tax three five percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid for each additional 30 days or fraction thereof during which such failure continues, not exceeding 23 percent in the aggregate. The amount so added to any tax under subdivisions 1 and 2 shall be collected at the same time and in the same manner and as a part of the tax and shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid, unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

In the case of a failure to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for

filing), the addition to tax under this subdivision shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax; or (b) \$50.

Sec. 38. Minnesota Statutes 1992, section 297C.14, is amended by adding a subdivision to read:

Subd. 9. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 39. Minnesota Statutes 1992, section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.]

The taxes provided by section 298.24 shall be paid directly to each eligible county and the iron range resources and rehabilitation board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 8 15. Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner. The report shall be filed on or before February 1. A remittance equal to 90 100 percent of the total tax required to be paid hereunder shall be paid on or before February 15 24. On or before February 25, the county auditor shall make distribution of the payment received by the county in the manner provided by section 298.28. The balance due shall be paid on or before April 15 following the production year, and shall be distributed by the county auditor as provided in section 298.28 by May 15. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a partial tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the partial tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the taxes provided for in section 298.24 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

A person having a liability of \$120,000 or more during a calendar year must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336A.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 40. Minnesota Statutes 1992, section 299F.21, subdivision 2, is amended to read:

Subd. 2. [ANNUAL RETURNS.] (a) Every insurer required to pay a tax under this section shall make and file a statement of estimated taxes for the period covered by the installment tax payment. The statement shall be in the form prescribed by the commissioner of revenue.

(b) On or before March 1, annually every insurer subject to taxation under this section shall make an annual return for the preceding calendar year setting forth information the commissioner of revenue may reasonably require on forms prescribed by the commissioner.

(c) On March 1, the insurer shall pay any additional amount due for the preceding calendar year; if there has been an overpayment, the overpayment may be credited without interest on the estimated tax due April 15.

(d) If unpaid by this date, penalties and interest as provided in section 289A.60, subdivision 1, as related to withholding and sales or use taxes, shall be imposed.

Sec. 41. Minnesota Statutes 1992, section 299F.23, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO FILE; PENALTIES AND INTEREST.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner of revenue in pursuance of law there shall be added to the tax penalties and interest as provided in section 289A.60, subdivision 2, as related to withholding and sales or use taxes.

Sec. 42. Minnesota Statutes 1992, section 299F.23, is amended by adding a subdivision to read:

Subd. 5. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 43. Minnesota Statutes 1992, section 349.212, subdivision 4, is amended to read:

Subd. 4: [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.166, subdivision 2, paragraph (a), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

(d) A distributor having a liability of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 44. Minnesota Statutes 1992, section 349.217, subdivision 1, is amended to read:

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is ~~three~~ five percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of ~~three~~ percent of the amount of tax remaining unpaid during each additional 30 days

or fraction of 30 days during which the failure continues, not exceeding 24 1/2 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision the time specified for payment is the final date a return should have been filed.

Sec. 45. Minnesota Statutes 1992, section 349.217, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is ~~three~~ *five* percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for ~~not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.~~

If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Sec. 46. Minnesota Statutes 1992, section 349.217, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 47. Minnesota Statutes 1992, section 473.843, subdivision 3, is amended to read:

Subd. 3. [PAYMENT OF FEE.] On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner of revenue.

An operator having a fee of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must pay all fees in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the fee is due. If the date the fee is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the fee is due.

Sec. 48. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall renumber section 290.92, subdivision 23, by adding it as a new subdivision in section 270.70.

Sec. 49. [EFFECTIVE DATE.]

Sections 1 to 6, 16 to 18, 21 to 23, 30 to 32, 36 to 38, 40 to 42, and 44 to 46 are effective for taxes and returns due on or after January 1, 1994.

For purposes of imposing the penalty in sections 3, 6, 18, 23, 32, 38, 42, and 46, violations for late filing of returns or late payment of taxes can occur prior to or after January 1, 1994.

Sections 7, 8, 13, and 14 are effective the day following final enactment.

Sections 9 and 20 are effective for taxes due on or after October 1, 1993.

Sections 10 to 12, 19, 24 to 29, 33 to 35, 39, 43, and 47 are effective for payments due in the calendar year 1994, and thereafter, based upon payments made in the fiscal year ending June 30, 1993, and thereafter; provided that section 10, as it relates to quarterly and annual sales and use tax returns, is effective for returns due for calendar quarters beginning with the first quarter of 1994, and for calendar years beginning with 1994.

ARTICLE 12

TACONITE TAX

Section 1. Minnesota Statutes 1992, section 298.227, is amended to read:

298.227 [TACONITE ECONOMIC DEVELOPMENT FUND.]

An amount equal to 40.4 cents per taxable ton that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, for production years 1992 and 1993 shall be held by the iron range resources and rehabilitation board in a separate taconite economic development fund for each taconite producer. Money from the fund for each producer shall be released only on the written authorization of a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The district 33 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. Each producer's joint committee may authorize release of the funds held pursuant to this section only for acquisition of equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology. Funds may be released only upon a majority vote of the representatives of the committee. Any portion of the fund which is not released by a joint committee within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. This section is effective for taxes payable in 1993 and 1994.

Sec. 2. Minnesota Statutes 1992, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school

districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 124.918, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1; clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 1989 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever

is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 3. Minnesota Statutes 1992; section 298.28, subdivision 7, is amended to read:

Subd. 7. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this subdivision shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1, and shall be increased in 1989, 1990, and 1991 according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amount distributed per ton shall be the same as the amount distributed per ton in 1991. In 1994, the amount distributed shall be the distribution per ton for 1991 increased in the same proportion as the increase between the fourth quarter of 1988 1989 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. That amount shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. The amount distributed pursuant to this subdivision shall be expended within or for

the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

Sec. 4. Minnesota Statutes 1992, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. [TACONITE ECONOMIC DEVELOPMENT FUND.] (a) 10.4 cents per ton for distributions in 1993 and 15.4 cents per ton for distributions in 1994 shall be paid to the taconite economic development fund. No distribution shall be made under this subdivision paragraph in any year in which total industry production falls below 30 million tons.

(b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 1/4 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed \$700,000 annually for all companies. If the initial amount to be paid to the fund exceeds this amount, each company's payment shall be prorated so the total does not exceed \$700,000.

Sec. 5. Minnesota Statutes 1992, section 298.28, subdivision 10, is amended to read:

Subd. 10. [INCREASE.] The amounts determined under subdivisions 6, paragraph (a), and 9 shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. Those amounts shall be increased in 1989, 1990, and 1991 in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amounts determined under subdivisions 6, paragraph (a), and 9, shall be the distribution per ton determined for distribution in 1991. In 1994, the amounts determined under subdivisions 6, paragraph (a), and 9, shall be the distribution per ton determined for distribution in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 1989 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. Those amounts shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

The distributions per ton determined under subdivisions 5, paragraphs (b) and (d), and 6, paragraphs (b) and (c) for distribution in 1988 and subsequent years shall be the distribution per ton determined for distribution in 1987.

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective for production years beginning after December 31, 1992.

ARTICLE 13

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner may promulgate rules for the disbursement of funds earned under subdivision 1, or other funds in an inmate account, and section 243.88, subdivision 2, for the support of families and dependent relatives of the respective inmates, for the payment of court-ordered restitution, contribution to any programs established by law to aid victims of crime provided that the contribution shall not be more than 20 percent of an inmate's gross wages, for the payment of restitution to the commissioner ordered by prison disciplinary hearing officers for damage to property caused by an inmate's conduct, and for the discharge of any legal obligations arising out of litigation under this subdivision. *The commissioner may authorize the payment of court-ordered restitution from an inmate's wages when the restitution was ordered by the court as a sanction for the conviction of an offense which is not the offense of commitment, including offenses which occurred prior to the offense for which the inmate was committed to the commissioner.* An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for the inmate's detention in a local detention facility convenient to the place of the hearing when the inmate is not engaged in preparation and defense.

Sec. 2. Minnesota Statutes 1992, section 270.07, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL POWERS OF COMMISSIONER.] Notwithstanding any other provision of law the commissioner of revenue may,

(a) based upon the administrative costs of processing, determine minimum standards for the determination of additional tax for which an order shall be issued, and

(b) based upon collection costs as compared to the amount of tax involved, determine minimum standards of collection, and

(c) based upon the administrative costs of processing, determine the minimum amount of refunds for which an order shall be issued and refund made where no claim therefor has been filed, and

(d) cancel any amounts below these minimum standards determined under (a) and (b) hereof, and

(e) based upon the inability of a taxpayer to pay a delinquent tax liability, abate the liability if the taxpayer agrees to perform uncompensated public service work for a state agency, a political subdivision or public corporation of this state, or a nonprofit educational, medical, or social service agency. The department of corrections shall administer the work program. No benefits under chapter 176 or 268 shall be available, but a claim authorized under section 3.739 may be made by the taxpayer. The state may not enter into any agreement that has the purpose or results in the displacement of public employees by a delinquent taxpayer under this section. The state must certify to the appropriate bargaining agent or employees, as applicable, that the work performed by a delinquent taxpayer will not result in the displacement of currently employed workers or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime

work, wages, or other employment benefits. The program authorized under this paragraph terminates June 30, 1993 1998.

Sec. 3. Minnesota Statutes 1992, section 270.66, is amended by adding a subdivision to read:

Subd. 4. [POLITICAL SUBDIVISION DEBTS.] (a) As used in this subdivision, "political subdivision" means counties and home rule charter or statutory cities, and "debts" means a legal obligation to pay a fixed amount of money, which equals or exceeds \$100 and which is due and payable to the claimant political subdivision.

(b) If one political subdivision owes a debt to another political subdivision, and the debt has not been paid within six months of the date when payment was due, the creditor political subdivision may notify the commissioner of revenue of the debt, and shall provide the commissioner with information sufficient to verify the claim. If the commissioner has reason to believe that the claim is valid, and the debt has not been paid, the commissioner shall initiate setoff procedures under this subdivision.

(c) Within ten days of receipt of the notification from the creditor political subdivision, the commissioner shall send a written notice to the debtor political subdivision, advising it of the nature and amount of the claim. This written notice shall advise the debtor of the creditor political subdivision's intention to request setoff of the refund against the debt.

The notice will also advise the debtor that the debt can be setoff against a state aid payment, and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the commissioner of revenue, which request the commissioner must receive within 45 days of the mailing date of the notice.

(d) If the commissioner receives written notice of a debtor political subdivision's intention to contest at hearing the claim upon which the intended setoff is based, the commissioner shall initiate a hearing according to contested case procedures established in the state administrative procedure act not later than 30 days after receipt of the debtor's request for a hearing.

(e) If the debtor political subdivision does not object to the claim, or does not prevail in an objection to the claim or at a hearing on the claim, the commissioner of revenue shall deduct the amount of the debt from the next payment scheduled to be made to the debtor under section 273.1398 or chapter 477A. The commissioner shall remit the amount deducted to the claimant political subdivision.

Sec. 4. Minnesota Statutes 1992, section 270A.03, subdivision 7, is amended to read:

Subd. 7. [REFUND.] "Refund" means an individual income tax refund or political contribution refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

In the case of a joint property tax refund payable to spouses under chapter 290A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total income determined under section 290A.03, subdivision 3. The commissioner

shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, determine the amount of the refund belonging to that spouse and refund the amount to that spouse.

Sec. 5. Minnesota Statutes 1992, section 270A.10, is amended to read:

270A.10 [PRIORITY OF CLAIMS.]

If two or more debts, in a total amount exceeding the debtor's refund, are submitted for setoff, the priority of payment shall be as follows: First, any delinquent tax obligations of the debtor which are owed to the department shall be satisfied. Secondly, the refund shall be applied to debts for child support based on the order in time in which the commissioner received the debts. Thirdly, *the refund shall be applied to payment of restitution obligations.* Fourthly, the refund shall be applied to the remaining debts based on the order in time in which the commissioner received the debts.

Sec. 6. Minnesota Statutes 1992, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A (except taxes imposed under sections 298.01, 298.015, and 298.24), 290, 290A, 291, and 297A, and includes any laws for the assessment, collection, and enforcement of those taxes.

Sec. 7. Minnesota Statutes-1992, section 290.01, subdivision 7, is amended to read:

Subd. 7. [RESIDENT.] The term "resident" means (1) any individual domiciled in Minnesota, except that an individual is not a "resident" for the period of time that the individual is a "qualified individual" as defined in section 911(d)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1991, ~~unless, during that period, a Minnesota homestead application is filed for property in which the individual has an interest if the qualified individual notifies the county within three months of moving out of the county that homestead status be revoked for the Minnesota residence of the qualified individual, and the property is not classified as a homestead while the individual remains a qualified individual;~~ and (2) any individual domiciled outside the state who maintains a place of abode in the state and spends in the aggregate more than one-half of the tax year in Minnesota, unless the individual or the spouse of the individual is in the armed forces of the United States, or the individual is covered under the reciprocity provisions in section 290.081.

For purposes of this subdivision, presence within the state for any part of a calendar day constitutes a day spent in the state. Individuals shall keep adequate records to substantiate the days spent outside the state.

The term "abode" means a dwelling maintained by an individual, whether or not owned by the individual and whether or not occupied by the individual, and includes a dwelling place owned or leased by the individual's spouse.

Sec. 8. Minnesota Statutes 1992, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(iii) *for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(b) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located; and*

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income tax is the last itemized deduction disallowed; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b); 290.9727, 290.9728, and 290.9729.

Sec. 9. Minnesota Statutes 1992, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or

any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; or the District of Columbia; or *Indian tribal governments*;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any windfall profits tax deducted under section 164 or 471 of the Internal Revenue Code;

(5) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(6) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code;

(7) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(8) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(9) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code;

(10) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(11) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(12) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities; and

(13) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g).

Sec. 10. Minnesota Statutes 1992, section 290.0921, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAXABLE INCOME.] "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification

made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (e).

(2) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(3) (2) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(4) (3) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(5) (4) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) (5) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without regard to the subtraction under section 290.01, subdivision 19d, clause (4).

(7) (6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(8) (7) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(9) (8) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

(10) (9) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(11) (10) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (10), or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (11).

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

Sec. 11. Minnesota Statutes 1992, section 298.75, subdivision 4, is amended to read:

Subd. 4. If ~~any~~ the county auditor has not received the report by the 15th day after the last day of each calendar quarter from the operator or importer fails to make the report as required by subdivision 3 or files has received an erroneous report, the county auditor shall ~~determine~~ estimate the amount of tax due and notify the operator or importer by registered mail of the amount

of tax so ~~determined~~ *estimated within the next 14 days*. An operator or importer may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Sec. 12. Minnesota Statutes 1992, section 298.75, subdivision 5, is amended to read:

Subd. 5. Failure to file the report *and submit payment* shall result in a penalty of \$5 for each of the first 30 days, beginning on the ~~14th~~ *15th* day after the ~~date when the county auditor has sent notice to the operator or importer as provided in subdivision 4, during which the report is overdue and no statement of objection has been filed.~~ For each subsequent ~~day~~ *last day of each calendar quarter*, during which the report *and payment* is overdue and no statement of objection has been filed *as provided in subdivision 4*, and a penalty of \$10 *for each subsequent day* shall be assessed against the operator or importer who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax *and credited to the county revenue fund*. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator or importer who is required to file the report is guilty of a misdemeanor.

Sec. 13. Minnesota Statutes 1992, section 469.169, is amended by adding a subdivision to read:

Subd. 9. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reductions authorized in subdivisions 7 and 8, the commissioner may allocate \$1,100,000 for tax reduction to border city enterprise zones in cities located on the western border of the state, and \$300,000 to the border city enterprise zone in the city of Duluth. The commissioner shall make allocations to zones in cities on the western border by evaluating which cities' applications for allocations relate to business prospects that have the greatest positive economic impact. Allocations made under this subdivision may be used for tax reductions as provided in section 469.171, or other offsets of taxes imposed on or remitted by businesses located in the enterprise zone, but only if the municipality determines that the granting of the tax reduction or offset is necessary in order to retain a business within the zone. Limitations on allocations under section 469.169, subdivision 7, do not apply to this allocation.

Sec. 14. Minnesota Statutes 1992, section 471.15, is amended to read:

471.15 [RECREATIONAL FACILITIES.]

Any home rule charter or statutory city or any town, county, school district, or any board thereof, or any incorporated post of the American Legion or any other incorporated veterans' organization, may expend not to exceed \$800 in any one year, for the purchase of awards and trophies and may operate a program of public recreation and playgrounds; acquire, equip, and maintain land, buildings, or other recreational facilities, including an outdoor or indoor swimming pool; and expend funds for the operation of such program pursuant to the provisions of sections 471.15 to 471.19. The city, town, county or school district may issue bonds pursuant to chapter 475 for the purpose of carrying out the powers granted by this section. The city, town, county or

school district may operate the program and facilities directly or establish one or more recreation boards to operate all or various parts of them. *A home rule charter or statutory city, town, county, or school district may conduct no more than two raffles each year, as defined in section 349.12, subdivision 33, without complying with sections 349.11 to 349.213, for the purpose of carrying out the powers granted by this section.*

Sec. 15. [NOTIFICATION BY COUNTY AUDITOR.]

The county auditor shall notify each operator in the county who filed a report in the previous calendar year under Minnesota Statutes, section 298.75, of the changes made in sections 11 and 12 relating to the imposition of the penalty for late payment.

Sec. 16. [UNEMPLOYMENT TAX ADMINISTRATION; STUDY.]

The commissioner of revenue and the commissioner of jobs and training shall study the feasibility of transferring the responsibility for collection of unemployment taxes from the department of jobs and training to the department of revenue. The commissioners must present their report to the legislature by February 1, 1994.

Sec. 17. [EFFECTIVE DATE.]

Section 3 is effective for debts incurred after July 31, 1993.

Section 4 is effective for property tax refunds paid after December 31, 1992.

Section 6 is effective retroactively to April 25, 1992.

Sections 7 to 9 are effective for tax years beginning after December 31, 1992.

Section 10 is effective for tax years beginning after December 31, 1993.

Sections 11 and 12 are effective for reports due after July 1, 1993.

ARTICLE 14

UNFAIR CIGARETTE SALES ACT

Section 1. Minnesota Statutes 1992, section 325D.33, is amended by adding a subdivision to read:

Subd. 8. [PENALTIES.] (a) A retailer who sells cigarettes for less than a legal retail price may be assessed a penalty in the full amount of three times the difference between the actual selling price and a legal price under sections 325D.30 to 325D.42. This penalty may be collected under the authorities given the commissioner in chapters 270 and 297, and the penalty shall bear interest at the rate prescribed by section 270.75, subdivision 5.

(b) A wholesaler who sells cigarettes for less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual selling price and the legal price under sections 325D.30 to 325D.42. This penalty may be collected under the authorities given the commissioner in chapters 270 and 297, and the penalty shall bear interest at the rate prescribed by section 270.75, subdivision 5.

(c) A retailer who engages in a plan, scheme, or device with a wholesaler to purchase cigarettes at a price which the retailer knows to be less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual purchase price and the legal price under sections 325D.30 to 325D.42. A retailer that coerces or requires a wholesaler to sell cigarettes at a price which the retailer knows to be less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual purchase price and the legal price. These penalties may be collected under the authorities given the commissioner in chapters 270 and 297, and the penalties shall bear interest at the rate prescribed by section 270.75, subdivision 5.

For purposes of this subdivision, a retailer is presumed to know that a purchase price is less than a legal price if any of the following have been done:

(1) the commissioner has published the legal price in the Minnesota State Register;

(2) the commissioner has provided written notice to the retailer of the legal price;

(3) the commissioner has provided written notice to the retailer that the retailer is purchasing cigarettes for less than a legal price;

(4) the commissioner has issued a written order to the retailer to cease and desist from purchases of cigarettes for less than a legal price; or

(5) there is evidence that the retailer has knowledge of, or has participated in, efforts to disguise or misrepresent the actual purchase price as equal to or more than a legal price, when it is actually less than a legal price.

In any proceeding arising under this subdivision, the commissioner shall have the burden of providing by a reasonable preponderance of the evidence that the facts necessary to establish the presumption set forth in this section exist, or that the retailer had knowledge that a purchase price was less than the legal price.

(d) The commissioner may not assess penalties against any wholesaler, retailer, or combination of wholesaler and retailer, which are greater than three times the difference between the actual price and the legal price under sections 325D.30 to 325D.42.

Sec. 2. Minnesota Statutes 1992, section 325D.37, subdivision 3, is amended to read:

Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall ~~contact~~ notify the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10 in writing that it intends to meet a competitor's legal price. A wholesaler filing the notice shall be allowed to meet the competitor's price unless within seven days of receipt of the notice, the commissioner informs the wholesaler that the competitor's price is an illegal price.

Sec. 3. [325D.371] [PUBLICATION OF CIGARETTE PRICES.]

The commissioner shall publish in the State Register the presumed legal prices of all cigarettes as calculated pursuant to section 325D.32, subdivision 10. The prices must be published within one month of each recomputation, but not less than once each year.

Sec. 4. [REPEALER.]

Minnesota Statutes 1992, section 325D.33, subdivision 7, is repealed.

Sec. 5. [EFFECTIVE DATES.]

Sections 2 and 3 are effective August 1, 1993. Section 1, paragraphs (a), (b), and (d), are effective the day following final enactment. Section 1, paragraph (c), is effective May 29, 1987, except that in any proceeding under paragraph (c) that arises out of purchases that occurred prior to August 1, 1993, the penalties shall not exceed the difference between the actual purchase price and the legal price. Section 4 is effective May 29, 1987."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; modifying property tax provisions relating to procedures, valuation, classifications, exemptions, notices, and assessors; adjusting formulas and changing the source of payments of state aids to local governments; providing for the establishment and operation of special service districts in the cities of Minneapolis and Duluth; providing a means of collection of special assessments in the city of St. Paul; authorizing establishment of an ambulance district; modifying definitions in the property tax refund law and providing a source of funding for the refunds; modifying provisions governing the establishment and operation of tax increment financing districts; establishing a process by which local governments may obtain waivers of state rules and laws establishing procedures; establishing a board of government innovation and cooperation and authorizing it to provide grants to encourage cooperation and innovation by local governments; establishing a comprehensive choice housing program; imposing a tax on contaminated property and appropriating a portion of the proceeds to a pollution abatement development fund; establishing a pollution abatement loan and grant program; conforming with changes in the federal income tax law; limiting deductions for compensation paid to employees; clarifying an income tax apportionment formula; modifying sales tax exemption and collection provisions; imposing a tax on sports bookmaking; amending tax collection and compliance provisions; modifying taconite production tax provisions, and increasing the distribution of the proceeds to the taconite economic development fund; providing additional allocations to border city enterprise zones; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.712; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 115B.22, subdivision 7; 124.2131, subdivision 1; 179A.04, subdivision 3; 204D.19, by adding a subdivision; 205.10, by adding a subdivision; 205A.05, subdivision 1; 239.785; 243.23, subdivision 3; 270.06; 270.07, subdivision 3; 270.41; 270.66, by adding a subdivision; 270.70, subdivision 1; 270A.03, subdivision 7; 270A.10; 270B.01, subdivision 8; 270B.08, subdivisions 1 and 2; 270B.12, by adding a subdivision; 272.01, subdivision 3; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 5, 6a, 13, and by adding subdivisions; 273.121; 273.124, subdivisions 1, 9, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.1318, subdivision 1; 273.1398, subdivisions 1 and 7;

273.1399, subdivision 1; 275.065, subdivisions 3, 5a, and 6; 276.02; 276.04, subdivision 2; 279.025; 279.37, subdivision 1a; 282.08; 289A.11, subdivision 1; 289A.18, subdivision 4; 289A.20, subdivisions 2, and 4; 289A.26, subdivision 7; 289A.36, subdivisions 3 and 7; 289A.40, by adding a subdivision; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15; and by adding subdivisions; 289A.63, subdivision 3; 290.01, subdivisions 7, 19, 19a, and 19c; 290.0921, subdivision 3; 290.191, subdivision 4; 290A.03, subdivisions 3, 7, and 8; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.02, subdivision 8; 296.14, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 3, 6, and 16; 297A.04; 297A.041; 297A.06; 297A.065; 297A.07, subdivisions 1, 2, and 3; 297A.10; 297A.11; 297A.135; 297A.14, subdivision 1; 297A.15, subdivisions 1 and 4; 297A.21, subdivisions 3, 4, 5, and 6; 297A.25, subdivisions 3, 11, 16, 34, 41, and by adding subdivisions; 297A.255, subdivisions 2 and 3; 297A.44, subdivision 4; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.227; 298.27; 298.28, subdivisions 4, 7, 9a, and 10; 298.75, subdivisions 4 and 5; 299E.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 325D.33, by adding a subdivision; 325D.37, subdivision 3; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, by adding a subdivision; 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; 465.87, subdivision 1, and by adding a subdivision; 469.012, subdivision 1; 469.040, subdivision 3; 469.169, by adding a subdivision; 469.174, subdivision 9, and by adding subdivisions; 469.175, subdivisions 1, 3, and by adding subdivisions; 469.176, subdivisions 1, 4, 4f, 4g, and by adding a subdivision; 469.1763, subdivision 2, and by adding a subdivision; 469.177, subdivision 1; 469.1831, subdivision 4; 471.15; 473.843, subdivision 3; 477A.03, subdivision 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, and 4; Laws 1992, chapter 511, article 8, section 37, subdivision 3; and Laws 1993, chapter 11, section 3; proposing coding for new law in Minnesota Statutes, chapters 16A, 116J, 270; 297A; 325D; 349; 465; 469; 473; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115; subdivision 1a; 273.124, subdivision 16; and 325D.33, subdivision 7."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 521, 1403 and 408 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1377 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the name of Mr. Merriam be added as a co-author to S.F. No. 167. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1735 be taken from the table. The motion prevailed.

H.F. No. 1735: A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by

adding subdivisions; 477A.013; by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1735 and that the rules of the Senate be so far suspended as to give H.F. No. 1735 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1735 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 1735 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1735, and insert the language after the enacting clause, and the title, of S.F. No. 408, the first engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 190, after line 36, insert:

“Sec. 41. [CARVER COUNTY; BUILDING MATERIALS FOR CORRECTIONAL FACILITY.]

Subdivision 1. [EXEMPTION.] Notwithstanding any other law to the contrary, the gross receipts from the sale of construction materials and supplies after May 31, 1992, for construction of that part of a correctional facility in Carver county that is mandated by state or federal law, rule, or regulation are exempt. The exemption applies regardless of whether the materials and supplies are purchased by the county or by a contractor, subcontractor, or builder under a contract with the county.

Subd. 2. [REFUND.] If the materials are purchased by a contractor, subcontractor, or builder as part of a lump sum contract with a price covering both labor and materials for use in the project, the tax must be imposed and collected as if the sale were taxable, and the rates under Minnesota Statutes, sections 297A.02, subdivision 1, and 297A.021, applied. Upon application of the county in the manner prescribed by the commissioner of revenue, a refund equal to the taxes paid by the contractor, subcontractor, or builder must be paid to the county. The contractor, subcontractor, or builder must furnish to the county a statement of the cost of the construction materials and supplies

and the sales taxes paid on them. The amount required to make the refunds is appropriated to the commissioner of revenue.

Subd. 3. [LOCAL APPROVAL.] This section is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Carver county.

Renumber the sections of article 10 in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1735. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Oliver amendment. The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Pages 243 and 244, delete section 14

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Mondale	Ranum
Benson, D.D.	Hottinger	Langseth	Murphy	Reichgott
Benson, J.E.	Janezich	Larson	Neuville	Spear
Berg	Johnson, D.E.	Lessard	Oliver	Stevens
Berglin	Johnston	Marty	Olson	Vickerman
Chmielewski	Kiscaden	McGowan	Pariseau	Wiener
Day	Knutson	Merriam	Price	

Those who voted in the negative were:

Adkins	Dille	Kroening	Pappas	Samuelson
Beckman	Finn	Lesewski	Piper	Solon
Belanger	Flynn	Luther	Pogemiller	Stumpf
Bertram	Hanson	Metzen	Rivness	
Betzold	Johnson, D.J.	Moe, R.D.	Robertson	
Chandler	Johnson, J.B.	Morse	Runbeck	
Cohefi	Krentz	Novak	Sams	

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 85, lines 13 and 14, delete the new language and reinstate the stricken language

Page 85, lines 18 and 19, delete the new language and reinstate the stricken language

Page 85, line 21, delete the new language and reinstate the stricken language

Page 85, delete lines 22 and 23

Page 129, line 31, after "*housing*" insert "*and manufactured housing*"

Page 232, after line 19, insert:

"Section 1. Minnesota Statutes 1992, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer from the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on July 1, ~~1992~~ 1993, to ~~\$240,000,000~~ \$390,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541."

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

Mrs. Pariseau requested division of the amendment as follows:

First portion:

Page 85, lines 13 and 14, delete the new language and reinstate the stricken language

Page 85, lines 18 and 19, delete the new language and reinstate the stricken language

Page 85, line 21, delete the new language and reinstate the stricken language

Page 85, delete lines 22 and 23

Page 129, line 31, after "*housing*" insert "*and manufactured housing*"

Second portion:

Page 232, after line 19, insert:

"Section 1. Minnesota Statutes 1992, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use

as the budget and cash flow reserve account. The commissioner of finance shall transfer from the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on July 1, 1992 1993, to \$240,000,000 \$390,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541."

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the first portion of the Johnson, D.J. amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the second portion of the Johnson, D.J. amendment. The motion prevailed. So the second portion of the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 64, after line 3, insert:

"Sec. 40. [465.791] [RESERVE FUNDS.]

Beginning in calendar year 1994, no home rule charter or statutory city, county, or special taxing district may maintain a reserve fund, other than a fund intended to pay debt service on outstanding obligations, that exceeds 3.5 percent of its total annual operating budget."

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 4 and nays 59, as follows:

Messrs. Belanger; Benson, D.D.; Ms. Berglin and Mr. Oliver voted in the affirmative.

Those who voted in the negative were:

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

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

Mr. Oliver moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Pages 128 to 135, delete article 6

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Day	Langseth	Murphy	Stevens
Beckman	Hanson	Larson	Neuville	Vickerman
Belanger	Johnson, D.E.	Lesewski	Oliver	Wiener
Benson, D.D.	Johnston	Lessard	Olson	
Benson, J.E.	Kiscaden	McGowan	Pariseau	
Berg	Knutson	Merriam	Price	
Bertram	Laidig	Metzen	Robertson	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Pappas	Samuelson
Berglin	Hottinger	Luther	Piper	Solon
Betzold	Janezich	Marty	Pogemiller	Spear
Chandler	Johnson, D.J.	Moe, R.D.	Ranum	Stumpf
Chmielewski	Johnson, J.B.	Mondale	Reichgott	
Cohen	Kelly	Morse	Riveness	
Finn	Krentz	Novak	Runbeck	

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

Mr. Price moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 50, after line 23, insert:

“Sec. 30. [275.055] [COUNTY TAX LEVIES; APPORTIONMENT FOR SERVICES.]

Subdivision 1. [CITIES; TOWNS; REQUEST FOR SERVICES REVIEW.] The governing body of a home rule or statutory city may by resolution, and a town may by an affirmative vote of the electors at an annual or special town meeting or by a resolution of the town board, petition the county or counties in which the city or town is located for review and adjustment of the county levy imposed on property located in the city or town, if the city or town finds in writing that both of the following conditions are met:

(1) the county services for which a county tax levy is imposed are not provided within the city or town or are not available to residents of the city or town; and

(2) the city or town levies taxes for and provides essentially the same or similar services to residents of the city or town.

Subd. 2. [PETITION.] (a) If the city or town elects to petition a county or counties for a review of its levy, the city or town shall file the petition with the auditor of the affected county or counties in which the city or town is located,

together with: (1) its finding that the conditions in subdivision 1 are met; (2) a detailed description of the county services and the city or town levies and services that meet the conditions in subdivision 1; and (3) any documents and facts supporting the findings of the city or town. The petition must specify the amount of any tax levy adjustment sought by the city or town. The county auditor shall provide the city or town with any information needed by the city to prepare the petition.

(b) The petition must be filed with the county auditor by June 30 of the year taxes are levied to be effective for taxes payable the following year.

Subd. 3. [HEARING; PUBLICATION.] On or before September 1, the county shall hold a public hearing on the petition at a regular or special meeting of the county board. The county may hold one hearing to discuss the petitions of all cities and towns that have submitted them. The hearing shall be held after the county publishes notice for two successive weeks under sections 645.11 and 645.13 in the regular issue of a qualified newspaper of general circulation within the county, including the affected cities or towns. The notice must state (1) the purpose of the hearing; (2) the service or services at issue; (3) the amounts of the county tax levy and city or town tax levy for the services for taxes payable in the current year; and (4) the amount of the county tax levy adjustment requested by the city or town. The notice must state that officials of the city or town and members of the public will be allowed to testify. A single consolidated notice of all petitions may be published, provided that levy and services information is stated separately for each city or town. The county shall pay the cost of preparation of the notice. The costs of publication shall be paid one-half by the county and one-half in equal shares by the cities and towns covered by the notice.

At the hearing, the city or town shall be represented by elected or appointed officials as determined by the city or town who shall present the petition of the city or town and respond to questions of the public, the county board, and county officials.

The county board shall hear testimony from representatives of the city and town and from the public, and shall discuss the petition. If it determines that the conditions in subdivision 1 have been met, it may adjust or eliminate the county levy imposed on property within the city or town that is attributable to the county services that are provided by the city or town. The county board may determine to continue the levy without adjustment. The board shall state the reasons for its determination. The decision and any levy adjustment may be made at a later public or special meeting of the county board, if the meeting time and place are announced at the meeting in which the petition is heard. The decision of the county board is final.

Subd. 4. [LEVY ADJUSTMENT.] If the county board adjusts the levy with respect to a city or town, the county board shall notify the city or town and the county auditor by September 10. The county auditor shall apportion the levy as adjusted by the county between the cities, towns, and unorganized territory within the county as adopted by the county board for purposes of the proposed levy and notice under section 275.065. The decision of the county board shall be incorporated as part of the budget and levy adoption under section 275.065, subdivision 6."

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 47, as follows:

Those who voted in the affirmative were:

Chandler	Johnson, D.J.	Murphy	Price	Solon
Cohen	Knutson	Olson	Riveness	Wiener
Flynn	Morse	Piper	Robertson	

Those who voted in the negative were:

Adkins	Day	Kiscaden	McGowan	Pogemiller
Anderson	Dille	Krentz	Merriam	Ranum
Beckman	Finn	Kroening	Metzen	Runbeck
Belanger	Frederickson	Laidig	Moe, R.D.	Sams
Benson, D.D.	Hottinger	Langseth	Mondale	Stevens
Benson, J.E.	Janezich	Larson	Neuville	Stumpf
Berglin	Johnson, D.E.	Lesewski	Novak	Vickerman
Bertram	Johnson, J.B.	Lessard	Oliver	
Betzold	Johnston	Luther	Pappas	
Chmielewski	Kelly	Marty	Pariseau	

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

RECONSIDERATION

Having voted on the prevailing side, Ms. Runbeck moved that the vote whereby the second Oliver amendment to H.F. No. 1735 failed on April 22, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	McGowan	Robertson
Belanger	Dille	Knutson	Merriam	Runbeck
Benson, D.D.	Frederickson	Laidig	Neuville	Stevens
Benson, J.E.	Hanson	Langseth	Oliver	
Berg	Johnson, D.E.	Larson	Pariseau	
Chmielewski	Johnston	Lesewski	Price	

Those who voted in the negative were:

Anderson	Finn	Lessard	Murphy	Riveness
Beckman	Flynn	Luther	Novak	Sams
Berglin	Janezich	Marty	Pappas	Solon
Bertram	Johnson, D.J.	Metzen	Piper	Spear
Betzold	Johnson, J.B.	Moe, R.D.	Pogemiller	Stumpf
Chandler	Kelly	Mondale	Ranum	Vickerman
Cohen	Krentz	Morse	Reichgott	Wiener

The motion did not prevail.

Mr. Bertram moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 247, after line 12, insert:

"ARTICLE 15
VIDEO LOTTERY

Section 1. [DEFINITIONS.]

Subdivision 1. [BOARD.] "Board" is the state lottery board.

Subd. 2. [CREDIT.] A "credit" has a cash value of 25 cents.

Subd. 3. [DIRECTOR.] "Director" is the director of the state lottery.

Subd. 4. [LICENSED ESTABLISHMENT.] "Licensed establishment" means an establishment licensed under Minnesota Statutes, chapter 340A, to sell, and engaged in the sale of intoxicating liquor for consumption on the premises where sold.

Subd. 5. [LOTTERY.] "Lottery" is the state lottery authorized in Minnesota Statutes, chapter 349A.

Subd. 6. [NET MACHINE INCOME.] "Net machine income" means money put into a video lottery machine minus credits paid out in cash.

Subd. 7. [SERVICE EMPLOYEE.] "Service employee" means an employee of an operator certified by the director to perform service, maintenance, and repair on video lottery machines.

Subd. 8. [EPROM.] "Eprom" means a computer chip that stores memory.

Subd. 9. [VIDEO LOTTERY MACHINE.] "Video lottery machine" or "machine" means an electronic video game machine that upon the insertion of a coin, token, or currency is available to simulate by video representation the play of pull-tabs utilizing a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens.

Subd. 10. [VIDEO LOTTERY MACHINE DISTRIBUTOR.] "Video lottery machine distributor" means an individual, partnership, corporation, or association that distributes or sells video lottery machines or associated equipment in this state.

Subd. 11. [VIDEO LOTTERY MACHINE MANUFACTURER.] "Video lottery machine manufacturer" means an individual, partnership, corporation, or association that assembles or produces video lottery machines or associated equipment for sale or use in this state.

Subd. 12. [VIDEO LOTTERY MACHINE OPERATOR.] "Video lottery machine operator" means an individual, partnership, corporation, or association that places video lottery machines or associated equipment for public use in this state.

Subd. 13. [VIDEO LOTTERY PROCUREMENT CONTRACT.] "Video lottery procurement contract" means a contract to provide video lottery products, computer hardware, and software used to monitor the operation of video lottery machines.

Sec. 2. [RULES.]

The director shall adopt rules under Minnesota Statutes, chapter 14, governing the following elements of video lottery:

- (1) *the number and types of video lottery locations;*
- (2) *qualifications of licensed establishments, video lottery machine manufacturers, distributors, and operators and application procedures for licenses;*
- (3) *investigation of licensees;*
- (4) *appeal procedures for denial, suspension, or cancellation of licenses;*
- (5) *compensation of licensees;*
- (6) *accounting for and deposit of video lottery revenues by video lottery machine operators and licensed establishments;*
- (7) *procedures for issuing video lottery procurement contracts and for the investigation of bidders on those contracts;*
- (8) *payment of video lottery prizes;*
- (9) *procedures needed to ensure the integrity and security of video lottery;*
- (10) *specifications for video lottery machines, the components of the machines, and the central communication system used in the operation of the video lottery system; and*
- (11) *other rules the director considers necessary for the efficient operation and administration of video lottery.*

Before adopting a rule the director shall submit the rule to the board for its review and comment. In adopting rules under clause (10), the director shall take into consideration standards adopted in other jurisdictions.

Sec. 3. [GAME PROCEDURES.]

The director may adopt game procedures governing the game types, odds, or the price for operation of a video lottery machine. The adoption of game procedures under this section is not subject to Minnesota Statutes, chapter 14. Before adopting a game procedure under this section, the director shall submit the procedure to the board for its review and comment.

Sec. 4. [CRIMINAL HISTORY.]

The director may request the director of gambling enforcement to investigate all applicants for video lottery machine manufacturer, distributor, operator, and establishment licenses to determine their compliance with the requirements of section 15, subdivision 5. The director has access to all criminal history data compiled by the director of gambling enforcement on any person holding or applying for a video lottery machine manufacturer, distributor, operator, or establishment license.

Sec. 5. [VENDOR CONTRACTS.]

The director must comply with the requirements contained in Minnesota Statutes, section 349A.07, before entering into a video lottery procurement contract.

Sec. 6. [VIDEO LOTTERY MACHINE MANUFACTURERS, DISTRIBUTORS, OPERATORS, AND ESTABLISHMENTS.]

A person who is a video lottery machine manufacturer, distributor, operator, or a licensed establishment, or who is applying to be a video lottery machine manufacturer, distributor, operator, or licensed establishment may

not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the director, board member, employee of the lottery board, or to a member of the immediate family residing in the same household as that person.

Sec. 7. [REQUIREMENTS FOR LICENSED VIDEO LOTTERY MACHINES.]

A video lottery machine licensed under this article must:

- (1) offer only games approved by the director;
- (2) not have any means of manipulation that affect the random probabilities of winning a video lottery game; and
- (3) have a minimum of one electronic or mechanical coin acceptor that must be installed in each video lottery machine. A video lottery machine may also contain bill accepters for \$1 bills, \$5 bills, \$10 bills, and \$20 bills. The bill accepters may be for any single bill or combination of bills in the denominations listed in this clause. Approval letters and test reports of the coin and bill accepters from other state or federal jurisdictions may be submitted. However, all coin and bill accepters are subject to approval by the director.

Sec. 8. [LIMIT ON AMOUNT PLAYED AND AWARDS GIVEN.]

A video lottery machine must not allow more than \$2 to be played on a game and must not award free games or credits in excess of the value of \$125 per credit value of 25 cents played. The payback value of one credit must be at least 88 percent and not more than 95 percent of the value of the credit.

Sec. 9. [DISPLAY OF LICENSE FOR VIDEO LOTTERY MACHINE; CONFISCATION; VIOLATION.]

A video lottery machine must be licensed by the director before placement or operation on the premises of a licensed establishment. The machine must have the license prominently displayed on it. A machine that does not display the license required by this section is contraband and subject to confiscation by a law enforcement officer. A violation of this section is a misdemeanor.

Sec. 10. [APPLICATION FOR APPROVAL OF A VIDEO LOTTERY MACHINE.]

A manufacturer or distributor must not distribute a video lottery machine for placement in the state unless the machine has been approved by the director. A manufacturer may apply for approval of a video lottery machine or associated equipment while an application for the manufacturer's license is pending, provided that no machine or associated equipment may be distributed for placement until the license application has been approved.

Sec. 11. [EXAMINATION OF VIDEO LOTTERY MACHINES.]

The director must examine prototypes of video lottery machines of manufacturers seeking a license as required in this article. The director must require a manufacturer seeking examination and approval of a video lottery machine to pay the anticipated actual costs of the examination in advance and, after the completion of the examination, must refund overpayments or charge and collect amounts sufficient to reimburse the lottery for underpay-

ment of actual costs. The director may contract for the examination of video lottery machines as required by this section.

Sec. 12. [TESTING OF VIDEO LOTTERY MACHINES.]

The director may require working models of a video lottery machine to be transported to a location the director designates for testing, examination, and analysis. The manufacturer must pay all costs of testing, examination, analysis, and transportation of the machine models.

Sec. 13. [REPORT OF TEST RESULTS.]

After each test has been completed, the director must provide the machine manufacturer with a report that contains findings, conclusions, and pass/fail results. The report may contain recommendations for modifications to bring the machine into compliance with law and rules.

Sec. 14. [MODIFICATIONS TO PREVIOUSLY APPROVED MODELS.]

The machine manufacturer and distributor are responsible for the assembly and initial operation of a video lottery machine in the manner approved and specified in a license issued by the director. The manufacturer and distributor must not change the assembly or operational functions of a machine for placement in the state unless a request for modification has been approved by the director.

Sec. 15. [VIDEO LOTTERY MACHINE MANUFACTURERS, DISTRIBUTORS, OPERATORS, ESTABLISHMENTS; LICENSES; PROHIBITIONS.]

Subdivision 1. [LICENSE REQUIRED.] A person must not engage in business as a video lottery machine manufacturer, distributor, operator, or licensed establishment in this state without a license from the director under this section.

Subd. 2. [CONDITION ON LICENSED ESTABLISHMENTS.] (a) As a condition of the issuance of a license under this article, a licensed establishment, which as of March 31, 1993, leases space in the licensed establishment to an organization licensed to conduct lawful gambling under Minnesota Statutes, chapter 349, must continue to lease space to a licensed organization for the duration of the license of the licensed establishment.

(b) Any licensed establishment in which a video lottery machine is placed and operated must provide training to its employees for the recognition and prevention of compulsive gambling in accordance with standards established by the director.

Subd. 3. [PROHIBITIONS.] (a) A video lottery machine manufacturer must not sell, offer for sale, or furnish a video lottery machine for use in this state to a person who is not a video lottery machine distributor licensed by the director.

(b) A video lottery machine distributor must not sell, offer for sale, or furnish a video lottery machine for use in the state to a person who is not a licensed video lottery machine operator.

(c) A video lottery machine operator must not lease or furnish a video lottery machine for use in this state to a licensed establishment that is not licensed by the director.

(d) A licensed establishment must not lease a video lottery machine from a person not licensed as a video lottery machine operator.

Subd. 4. [APPLICATION.] (a) An application for a video lottery machine manufacturer, distributor, operator, or licensed establishment license must be accompanied by a corporate surety bond issued by a surety licensed to do business in this state in an amount determined by the director conditioned on compliance by the applicant with the provisions of the license. The bond required by this subdivision must be kept in full force during the period covered by the license.

(b) Upon receipt of the application, the bond in proper form, and payment of the license fee required under this section, the director must issue a license, in a form prescribed by the director, to the applicant unless the director determines that the applicant is otherwise unqualified. A refusal to issue a license is a contested case under Minnesota Statutes, sections 14.57 to 14.69.

(c) The license permits the applicant to whom it is issued to engage in business as a video lottery machine manufacturer, distributor, operator, or licensed establishment at the place of business shown in the application. The director must assign a license number to each licensee when the initial license is issued. The license number must be inscribed on all licenses issued to a manufacturer, distributor, operator, or licensed establishment.

Subd. 5. [QUALIFICATIONS.] (a) A license may not be issued under this section to a video lottery machine manufacturer, distributor, operator, or licensed establishment that has as a partner, officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the applicant, a person who has either: (1) for a license for a video lottery machine operator or a licensed establishment, within the previous five years been convicted of a felony or gross misdemeanor, a crime involving fraud or misrepresentation, a gambling-related offense or owes \$500 or more in delinquent taxes as defined in Minnesota Statutes, section 270.72; or (2) for a license for a video lottery manufacturer or distributor, fails to satisfy the requirements contained in Minnesota Statutes, section 299L.07, subdivision 3.

(b) A video lottery machine operator must be a resident of this state and, if a partnership or corporation, the majority of ownership interests must be held by residents of this state.

(c) The director shall require that all service employees or other persons authorized to open a video lottery machine be fingerprinted. The director may charge a fee for the fingerprinting.

(d) The director may adopt rules to establish additional requirements to preserve the integrity and security of the lottery.

Subd. 6. [LICENSE FEES.] The annual license fees for video lottery machine manufacturers, distributors, operators, and licensed establishments are:

- (1) \$5,000 for a video lottery machine manufacturer's license;
- (2) \$5,000 for a video lottery machine distributor's license;
- (3) \$1,000 for a video lottery machine operator's license for up to 25 licensed machines and \$100 per licensed machine thereafter; and

(4) \$100 for a retailer at whose establishment a video lottery machine is located.

The fees collected in this subdivision shall be deposited in the lottery fund and used to pay for the costs of conducting background investigations for licensees.

A license issued under this section is not transferable or assignable without the express written consent of the director.

Subd. 7. [RECORDS.] (a) Manufacturers, distributors, and operators of video lottery machines must maintain a record of all video lottery machines sold or purchased. The record must include:

(1) the identity of the person or firm to whom the video lottery machine was sold;

(2) the identity of the person or firm from whom the video lottery machine was purchased;

(3) the registration number of the video lottery machine; and

(4) the date of sale.

(b) The invoice for each sale must be retained for at least three years after the sale is completed and a copy of the invoice is delivered to the director. For purposes of this subdivision, a sale is completed when the video lottery machine is physically delivered to the purchaser.

(c) Manufacturers and distributors must report monthly to the director, in a form the director prescribes, their sales of each type of video lottery machine. The director or the director of gambling enforcement may inspect or cause to have inspected the books, records, and other documents of a manufacturer or distributor at any reasonable time without notice and without a search warrant.

Subd. 8. [LOCAL LICENSE.] No political subdivision may require a local license to operate a video lottery machine, restrict or regulate the placement of a video lottery machine, or impose a tax or fee on the operation of video lottery machine except as specifically permitted under section 28.

Sec. 16. [INVESTIGATION FEE.]

The director may charge a nonrefundable investigation fee to a person applying for a license as a video lottery machine manufacturer, distributor, operator, or licensed establishment in an amount sufficient to cover the cost of making the investigation required by section 4. The director may also charge a nonrefundable fee for an annual investigation of a licensee. Any fee collected under this section must be deposited into the lottery fund.

Sec. 17. [MAINTENANCE LOG FORMS REQUIRED.]

A written maintenance log must be kept in the main cabinet access area of a video lottery machine. Every person, including lottery and law enforcement personnel, who gains entry into an internal space of a video lottery machine must sign the log, indicate the time and date of entry, indicate the mechanical meter readings, and list the area inspected or repaired. The maintenance log forms must be obtained from the director and retained by operators for a period of three years from the date of the last entry. The maintenance logs must be available for inspection by the director upon request.

Sec. 18. [KEYS TO MACHINES.]

An operator must provide to the director master keys in a number determined by the director for access to the main cabinet door and locked logic area of a machine placed in operation.

Sec. 19. [NOTIFICATION OF REPAIRS TO THE LOGIC AREA.]

A repair to the logic board or circuitry within the logic area must be reported by the operator to the director immediately upon completion of the repair. The operator must also submit a written report of the repair to the director within 24 hours. If a logic board is replaced, the report must include the serial number of the replacement board.

Sec. 20. [NOTIFICATION OF BROKEN SEALS ON LOGIC BOARD.]

The eproms on the logic board of a video lottery machine must be sealed by the lottery after initial inspection. An operator must inform the director in writing of a break or tear in the sealed tape noticed during routine maintenance checks that were not the result of a repair under section 19.

Sec. 21. [PAYMENT FOR CREDITS.]

(a) A licensed establishment must pay for all credits won in the operation of the video lottery machine upon presentation of a valid credit receipt displaying the credits awarded to the player. The establishment must not pay a player on the basis of a credit receipt that has been defaced or tampered with. Upon payment to the player, the establishment must immediately cancel the credit receipt in a manner that prevents its reuse.

(b) The licensed establishment is responsible for accounting for all disbursements paid for credits won by the player and must supply that information to the director and to the operator.

(c) The operator is responsible for accounting to the establishment and to the director the machine income and must remit to the director the state's percentage of net machine income within the time periods required.

(d) Notwithstanding Minnesota Statutes, section 349A.08, subdivision 8, the director shall not be required to report to the department of revenue the name, address, and social security number of a winner of a prize from the operation of a video lottery machine.

(e) The director, board member, an employee of the state lottery, or a member of the immediate family of the director, board member, or employee of the state lottery residing in the same household, may not play a game on a video lottery machine or receive a prize from a video lottery machine.

Sec. 22. [RESTRICTION ON PAYMENT OF CREDITS.]

A licensed establishment may redeem credit receipts only for credits awarded on video lottery machines located on its premises. A credit receipt must be presented for payment before the close of business on the date the credit receipt was printed. Neither the lottery nor the state is liable for the payment of credits on valid credit receipts. A credit receipt redeemed by a licensed establishment must be marked or defaced in a manner that prevents subsequent presentation and payment.

Sec. 23. [LIABILITY FOR MACHINE MALFUNCTION.]

Neither the lottery nor the state is responsible for a machine malfunction that causes credits to be wrongfully awarded or denied to players. The operator is solely responsible for a wrongful award or denial of credits. An operator's liability is limited to the number of credits for the game displayed in the game rules and may not be greater than \$1,000 for any succession of games played.

Sec. 24. [PROHIBITION.]

A distributor or operator of a video lottery machine must not also be a wholesale distributor of liquor or alcoholic beverages.

Sec. 25. [MULTIPLE TYPES OF LICENSES PROHIBITED.]

A video lottery machine manufacturer must not be licensed as a video lottery machine distributor or operator or own, manage, or control a licensed establishment. A video lottery machine distributor must not be licensed as a video lottery machine operator or own, manage, or control a licensed establishment. A video lottery machine operator must not be licensed as a video lottery machine manufacturer or distributor. An owner or manager of a licensed establishment must not be licensed as a video lottery machine manufacturer or distributor.

Sec. 26. [RULES FOR PLACEMENT OF VIDEO LOTTERY MACHINES; NUMBER LIMITED; SECURITY.]

Subdivision 1. [NUMBER OF MACHINES.] A maximum of two video lottery machines may be placed in a licensed establishment. The placement of a video lottery machine in a licensed establishment is subject to the rules of the director.

Subd. 2. [SECURITY.] The licensed establishment is required to install a camera surveillance system.

Sec. 27. [HOURS OF OPERATIONS OF MACHINES.]

A video lottery machine may be played only during the legal hours for on-sale consumption of alcoholic beverages as provided in Minnesota Statutes, chapter 340A.

Sec. 28. [VIDEO LOTTERY MACHINE INCOME; REMITTANCE TO STATE; PENALTIES.]

(a) The percentages of the net machine income required to be remitted to the director from the operation of a video lottery machine referred to in this section constitute a trust fund until paid to the director. The licensed establishment and the video lottery machine operator are jointly and severally liable for the state's share of the net machine income. In any claim for net machine income the state shall have priority for its share over any other claim.

(b) The state is entitled to 30 percent of the net machine income from the operation of a video lottery machine. Of the state's percentage, the director must remit to the state from the lottery fund an amount equivalent to 2-1/2 percent of the state's share which shall be directed to the commissioner of human services for the compulsive gambling treatment program as provided in Minnesota Statutes, section 245.98.

(c) Any organization licensed under Minnesota Statutes, chapter 349, and conducting lawful gambling in the licensed establishment is entitled to ten

percent of the net machine income from the operation of a video lottery machine. A local statutory or home rule charter city or county may require by ordinance that the organization contribute up to ten percent of the amount of net machine income the organization receives to a fund administered and regulated by the responsible local unit of government for disbursement by the responsible local unit of government for lawful purposes contributions or expenditures, as defined in Minnesota Statutes, section 349.12, subdivision 25, paragraph (a). If there is no organization conducting lawful gambling at the licensed establishment, the ten percent shall be remitted to the local statutory or home rule charter city or county in which the licensed establishment is located for the purpose of economic development within that jurisdiction.

(d) The state's percentage and the percentage under paragraph (c) of net machine income must be reported and remitted to the director on the days determined by the director. The amount remitted to the director under this paragraph must be deposited into the lottery fund. The amount required to be remitted under paragraph (b) shall be included in the calculation of gross revenue under Minnesota Statutes, chapter 349A.

(e) An operator who falsely reports or fails to report the amount due as required by this section is guilty of a misdemeanor and is subject to termination of the operator's license.

(f) An operator must keep a record of net machine income in the form the director requires. A payment not remitted when due must be paid together with a penalty assessment on the unpaid balance at a rate of 1-1/2 percent per month.

(g) The operator of a video lottery machine shall be entitled to 70 percent of net machine income as commission. Any amount due an organization under paragraph (c) and to a licensed establishment under a location agreement shall be paid by the operator solely and exclusively from commission retained by the operator under this paragraph.

(h) Notwithstanding Minnesota Statutes, section 297A.02, sales of plays on a video lottery machine are exempt from the sales tax imposed in that section.

Sec. 29. [REMITTANCE THROUGH ELECTRONIC TRANSFER OF FUNDS.]

The operator of a video lottery machine must remit the state's percentage of net machine income and the amount required to be remitted under section 28, paragraph (c), through the electronic transfer of funds. The operator must furnish to the director all information and bank authorizations required to facilitate timely payment to the director. The operator must provide the director 30 days' advance notice of a proposed account change to ensure the uninterrupted electronic transfer of funds.

Sec. 30. [INTEREST ON LATE PAYMENT OR INSUFFICIENT FUNDS PAYMENT.]

An operator must maintain a balance in its account in an amount to cover the state's percentage of net machine income set forth in section 28. If an operator fails to maintain a balance in the account as required by this section, the director must assess interest at the rate of 1-1/2 percent per month on the unpaid balance. If an operator fails to remit full payment, including interest, before the next payment date, the director may disable the machine and

prevent further play, suspend or revoke the operator's license, or impose a civil fine.

Sec. 31. [AUDIT TAPE.]

An operator must retain an audit tape that records an exact duplicate of tickets printed and transactions recorded in the video lottery machine. The audit tape must be kept for a period of three years, identified by machine, and stored in a secure area.

Sec. 32. [INCOME RECORD KEEPING.]

An operator must keep accurate records of net machine income generated from a machine. The director must prepare and mail to the operator a statement reflecting the net machine income and the state's percentage of that amount before the date payment is remitted through the electronic transfer of funds. An operator must report to the director any discrepancies in net machine income between the lottery's statement and a machine's mechanical and electronic meter readings. The director is not responsible for resolving discrepancies in net machine income between actual money collected and the amount shown on the accounting meters or billing statement. In the event of a discrepancy, the operator must submit to the director information, including, without limitation, current mechanical meter readings and the audit ticket that contains electronic meter readings generated by the machine's software, necessary to resolve the discrepancy.

Sec. 33. [REQUEST FOR REPORTS.]

An operator may request, and the director must supply to the extent available, additional reports on play transactions of a video lottery machine and other marketing information not considered confidential by the director. The director may charge a fee for the cost of producing and mailing the reports and information.

Sec. 34. [REVOCATION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.]

(a) The director must revoke the license of a video lottery machine manufacturer, distributor, operator, or licensed establishment that:

(1) for an operator of a licensed establishment, has been convicted of a felony, gross misdemeanor, or a gambling-related offense within the previous five years, or, for a video lottery machine manufacturer or distributor, has been convicted of a gambling-related offense at any time;

(2) has provided false or misleading information to the division;

(3) fails to comply with section 15, subdivision 2; or

(4) for a video lottery manufacturer or distributor, fails to comply with the requirements in Minnesota Statutes, section 299L.07, subdivision 3.

(b) The director may revoke, suspend, or refuse to renew the license of a video lottery machine manufacturer, distributor, operator, or licensed establishment that:

(1) fails to remit funds to the director in accordance with the director's rules;

(2) violates a law or a rule or order of the director;

(3) fails to comply with any of the terms in the license;
 (4) fails to comply with bond requirements under section 15, subdivision 4;
 or

(5) has violated Minnesota Statutes, section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also revoke, suspend, or refuse to renew a license of a video lottery machine manufacturer, distributor, operator, or licensed establishment if there is a material change in any of the factors considered by the director under section 15, subdivision 5.

(d) A license cancellation, suspension, or refusal to renew under this subdivision is a contested case under Minnesota Statutes, sections 14.57 to 14.69, and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a license without notice for any of the reasons specified in this section provided that a hearing is conducted within seven days after a request for a hearing is made by a licensee. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

Sec. 35. [FRAUD.]

A person is guilty of a gross misdemeanor if the person does any of the following with intent to defraud the state lottery:

(1) alters or counterfeits a credit receipt from a video lottery machine;

(2) knowingly presents an altered or counterfeited credit receipt from a video lottery machine for payment;

(3) knowingly transfers an altered or counterfeited credit receipt from a video lottery machine to another person;

(4) tampers with or manipulates the outcome, prize payable, or operation of a video lottery machine; or

(5) otherwise claims a video lottery prize by means of fraud, deceit, or misrepresentation.

Sec. 36. [GAMBLING DEVICE; VIDEO LOTTERY DEVICE.]

Subdivision 1. [VIDEO LOTTERY DEVICE.] Notwithstanding Minnesota Statutes, section 349A.13, clause (2), this article authorizes the director to install or operate a video lottery device operated by coin or currency which when operated determines the winner of a game.

Subd. 2. [GAMBLING DEVICE.] Notwithstanding Minnesota Statutes, section 609.75, subdivision 4, a gambling device does not include a video lottery machine operated by the state lottery under this article.

Subd. 3. [VIDEO LOTTERY MACHINE.] Minnesota Statutes, sections 609.755 and 609.76, do not prohibit the manufacture, sale, placement, or operation of a video lottery machine under this article.

Sec. 37. [AGE.]

(a) A licensed establishment must not allow a person under the age of 21 to operate a video lottery machine.

(b) A person under the age of 21 must not operate a video lottery machine.

(c) It is an affirmative defense under paragraph (a) for the licensed establishment to prove by a preponderance of the evidence that the licensed establishment reasonably and in good faith relied on representation of proof of age described in Minnesota Statutes, section 340A.503, subdivision 6, in allowing the operation of the video lottery machine.

Sec. 38. [SERVICE AND REPAIR; TRAINING.]

(a) A video lottery machine must not be placed in operation in the state until training that has been approved by the director in the service and repair of the machine has taken place as hereafter provided.

(b) A manufacturer or distributor must provide training in the service and repair of each machine model approved by the director.

(c) A video lottery machine must not be placed in operation in the state until the manufacturer or distributor has provided the required training in the service and repair of the machine model approved by the director.

(d) A manufacturer or distributor must provide the training to the operator and its service employees and must certify to the director that the required training has been completed:

(e) A manufacturer or distributor must provide subsequent training programs to inform operators of new developments in the service and repair of its machines.

(f) A manufacturer or distributor must inform the director of the names of operators and service employees who attend and successfully complete each training program. The director must issue a certificate to each person certified signifying that the person is certified to service and repair video lottery machines of the particular manufacturer and model.

Sec. 39. [MAINTENANCE OF VIDEO LOTTERY MACHINES.]

Video lottery machines must be serviced and maintained in a manner and condition approved by the director.

Sec. 40. [INSPECTIONS.]

Manufacturers, distributors, operators, and licensed establishments must provide immediate access to all records and the physical premises of the business for inspection at the request of the director.

Sec. 41. [TELEPHONE LINES.]

The operator of a video lottery machine is responsible for the installation, operation, and funding of telephone lines into a licensed establishment as required by the director to provide direct communication between the machine and the central computer operated by the lottery.

Sec. 42. [LOCATION AGREEMENTS.]

(a) A video lottery machine operator must have a location agreement that is approved by the director with the licensed establishment providing at least the following:

(1) designation of the location where the video lottery machine is to be placed for use by the public; and

(2) provision for the share in revenue generated from net machine income to be apportioned to the operator and to the licensed establishment.

(b) A copy of the location agreement must be retained by the operator and the licensed establishment and be available for review and inspection by the director.

(c) The location agreement may contain other terms and conditions agreed to by the operator and licensed establishment.

Sec. 43. [REPEALER.]

This article is repealed August 1, 1995.

Sec. 44. [EFFECTIVE DATE.]

Article 15 is effective the day following final enactment."

Amend the title accordingly

Mr. Frederickson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Hottinger moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 118, line 33, after the comma, insert "*the chair of the governmental operations and reform committee of the senate and the chair of the governmental operations and gaming committee of the house of representatives or their successor committees,*"

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Pages 244 to 247, delete sections 1 to 5 and insert:

"Section 1. Minnesota Statutes 1992, section 270.06, is amended to read:
270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce

the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just

and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

(19) ~~administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;~~

(20) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

(21) (20) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.

Sec. 2. Minnesota Statutes 1992, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, 24 35.5 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 48 71 mills on each such cigarette.

Sec. 3. Minnesota Statutes 1992, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~4-0~~ .. percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~-60~~ .. percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 4. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1993. The tax is equal to:

(1) on cigarettes weighing not more than three pounds per thousand, 11.5 mills on each cigarette;

(2) on cigarettes weighing more than three pounds per thousand, 23 mills on each cigarette.

Each distributor, by July 8, 1993, shall file a report with the commissioner of revenue, in the form the commissioner of revenue prescribes, showing the

cigarettes on hand at 12:01 a.m. on July 1, 1993, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1993, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner of revenue, in the form the commissioner of revenue prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1993, and pays the tax due by August 1, 1993. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions that apply to taxes imposed under Minnesota Statutes, chapter 297C. The commissioner of revenue may require a distributor to receive and maintain copies of floor stocks tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner of revenue in the state treasury and credited to the general fund.

Sec. 5. [REPEALER.]

Minnesota Statutes, sections 325D.30; 325D.31; 325D.32; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.405; 325D.415; and 325D.42, are repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1993."

Correct the internal references

Amend the title accordingly

Mr. Neuville requested division of the amendment as follows:

First portion:

Page 244 to 247, delete sections 1 to 5 and insert:

"Section 1. Minnesota Statutes 1992, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, 24 35.5 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 48 71 mills on each such cigarette.

Sec. 2. Minnesota Statutes 1992, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1-0~~ .. percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~-60~~ .. percent on the remainder of such stamps

purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 3. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1993. The tax is equal to:

(1) on cigarettes weighing not more than three pounds per thousand, 11.5 mills on each cigarette;

(2) on cigarettes weighing more than three pounds per thousand, 23 mills on each cigarette.

Each distributor, by July 8, 1993, shall file a report with the commissioner of revenue, in the form the commissioner of revenue prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1993, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1993, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner of revenue, in the form the commissioner of revenue prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1993, and pays the tax due by August 1, 1993. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions that apply to taxes imposed under Minnesota Statutes, chapter 297C. The commissioner of revenue may require a distributor to receive and maintain copies of floor stocks tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner of revenue in the state treasury and credited to the general fund."

Correct the internal references

Amend the title accordingly

Second portion:

Pages 244 to 247, delete sections 1 to 5 and insert:

"Section 1. Minnesota Statutes 1992, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem

expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

(19) ~~administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;~~

~~(20) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and~~

~~(24) (20) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.~~

Sec. 2. [REPEALER.]

Minnesota Statutes, sections 325D.30; 325D.31; 325D.32; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.405; 325D.415; and 325D.42, are repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1993.

Correct the internal references

Amend the title accordingly

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

Ms. Reichgott moved that those not voting be excused from voting. The motion prevailed.

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

Those who voted in the affirmative were:

Anderson	Cohen	Knutson	Murphy	Reichgott
Belanger	Dille	Luther	Oliver	Spear
Benson, D.D.	Flynn	Marty	Pappas	Stevens
Benson, J.E.	Frederickson	McGowan	Pariseau	Wiener
Berg	Hottinger	Merriam	Piper	
Berglin	Johnson, D.E.	Moe, R.D.	Pogemiller	
Betzold	Johnson, J.B.	Mondale	Price	
Chandler	Kiscaden	Morse	Ranum	

Those who voted in the negative were:

Adkins	Hanson	Kroening	Metzen	Runbeck
Beckman	Janezich	Laidig	Neuville	Sams
Bertram	Johnson, D.J.	Langseth	Novak	Samuelson
Chmielewski	Johnston	Larson	Olson	Solon
Day	Kelly	Lesewski	Riveness	Stumpf
Finn	Krentz	Lessard	Robertson	Vickerman

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the Benson, D.D. amendment.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Lesewski	Neuville	Reichgott
Belanger	Johnson, D.E.	Luther	Oliver	Riveness
Benson, D.D.	Johnston	Marty	Pappas	Samuelson
Berglin	Kelly	McGowan	Piper	Spear
Betzold	Kiscaden	Merriam	Pogemiller	
Cohen	Laidig	Morse	Price	

Those who voted in the negative were:

Adkins	Dille	Knutson	Mondale	Sams
Beckman	Finn	Krentz	Murphy	Solon
Benson, J.E.	Flynn	Kroening	Novak	Stevens
Berg	Hanson	Langseth	Olson	Stumpf
Bertram	Hottinger	Larson	Pariseau	Vickerman
Chandler	Janezich	Lessard	Ranum	Wiener
Chmielewski	Johnson, D.J.	Metzen	Robertson	
Day	Johnson, J.B.	Moe, R.D.	Runbeck	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Morse moved that the vote whereby the first portion of the Benson, D.D. amendment to H.F. No. 1735 was adopted on April 22, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Larson	Neuville	Samuelson
Beckman	Johnson, D.J.	Lesewski	Novak	Solon
Bertram	Johnston	Lessard	Pappas	Vickerman
Chmielewski	Knutson	Metzen	Riveness	
Finn	Kroening	Morse	Sams	

Those who voted in the negative were:

Adkins	Day	Krentz	Murphy	Robertson
Belanger	Dille	Laidig	Oliver	Runbeck
Benson, D.D.	Flynn	Langseth	Olson	Spear
Benson, J.E.	Frederickson	Luther	Pariseau	Stevens
Berg	Hanson	Marty	Piper	Stumpf
Berglin	Hottinger	McGowan	Pogemiller	Wiener
Betzold	Johnson, D.E.	Merriam	Price	
Chandler	Johnson, J.B.	Moe, R.D.	Ranum	
Cohen	Kiscaden	Mondale	Reichgott	

The motion did not prevail.

Mr. Oliver moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Pages 128 and 129, delete section 1

Page 130, lines 7 and 8, delete "*under subdivision 3, clause (4)*"

Page 130, line 9, delete from "*Subd.*" through page 134, line 6, to "*extension.*" and insert:

"Subd. 3. [COMPREHENSIVE CHOICE HOUSING.] The metropolitan council and the comprehensive choice housing advisory committee shall develop a plan to meet the goals of affordable housing in every community in the metropolitan area. The plan would include suggestions to municipalities within the metropolitan area on methods of eliminating barriers to housing choices and would outline opportunities to achieve the policy and goals in subdivision 1. The metropolitan council shall report by February 1, 1994, to the legislature with the recommendations on developing a full range of housing opportunities throughout the metropolitan area and achieving the goals and policies in subdivision 1.

The comprehensive choice housing advisory committee consists of one member appointed by the city council of Minneapolis, one member appointed by the city council of St. Paul, three members appointed by the municipal legislative commission board, five members appointed by the board of the association of metropolitan municipalities, and five members residing in and representing the metropolitan area appointed by the board of the league of Minnesota cities."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly.

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Dille	Laidig	Neuville	Stevens
Benson, D.D.	Frederickson	Langseth	Oliver	Wiener
Benson, J.E.	Johnson, D.E.	Larson	Olson	
Berg	Johnston	Lesewski	Pariseau	
Chmielewski	Kiscaden	Lessard	Robertson	
Day	Knutson	McGowan	Runbeck	

Those who voted in the negative were:

Adkins	Finn	Krentz	Morse	Reichgott
Anderson	Flynn	Kroening	Murphy	Riveness
Beckman	Hanson	Luther	Novak	Sams
Berglin	Hottinger	Marty	Pappas	Samuelson
Bertram	Janezich	Merriam	Piper	Solon
Betzold	Johnson, D.J.	Metzen	Pogemiller	Spear
Chandler	Johnson, J.B.	Moe, R.D.	Price	Stumpf
Cohen	Kelly	Mondale	Ranum	Vickerman

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

Mr. Berg moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 242, after line 35, insert:

"Sec. 13. Minnesota Statutes 1992, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, and the ~~tax~~ taxes imposed by section 349.212, subdivisions 1 and 4, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on ~~licensed~~ permitted gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; or

(ii) 50 percent of the real estate taxes and assessments or \$15,000 per year, whichever is more, for premises used for other forms of lawful gambling; or

(iii) 100 percent of the real estate taxes and assessments for premises constructed, acquired, or expended, if the construction, acquisition, or expansion was started before August 1, 1990;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; or

(12) payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure.

Sec. 14. Minnesota Statutes 1992, section 349A.03, subdivision 2, is amended to read:

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) review and comment on lottery procurement contracts;
- (4) review and comment on agreements between the director and one or more other lotteries relating to a joint lottery; *and*
- (5) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 349A.09; *and*
- (6) to approve additional compensation for the director under subdivision 3."

Page 244, after line 17, insert:

"Sec. 19. [EFFECT.]

Sections 14 and 20 may not be construed to reduce the rate of compensation paid the director of the state lottery as of the effective date of this act.

Sec. 20. [REPEALER.]

Minnesota Statutes 1992, section 349A.03, subdivision 3, is repealed."

Page 244, after line 29, insert:

"Sections 14, 19, and 20 are effective the day following final enactment."

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

Mr. Berg requested division of the amendment as follows:

First portion:

Page 242, after line 35, insert:

"Sec. 13. Minnesota Statutes 1992, section 349A.03, subdivision 2, is amended to read:

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) review and comment on lottery procurement contracts;

(4) review and comment on agreements between the director and one or more other lotteries relating to a joint lottery; and

(5) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 349A.09; and

(6) to approve additional compensation for the director under subdivision 3.”

Page 244, after line 17, insert:

“Sec. 18. [EFFECT.]

Sections 13 and 19 may not be construed to reduce the rate of compensation paid the director of the state lottery as of the effective date of this act.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, section 349A.03, subdivision 3, is repealed.”

Page 244, after line 29, insert:

“Sections 13, 18, and 19 are effective the day following final enactment.”

ReNUMBER the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 242, after line 35, insert:

“Sec. 13. Minnesota Statutes 1992, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) “Lawful purpose” means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, ~~and the tax taxes~~ imposed by section 349.212, subdivisions 1 ~~and~~, 4, ~~and~~ 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on ~~licensed permitted~~ gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; ~~or~~

(ii) *50 percent of the real estate taxes and assessments or \$15,000 per year, whichever is more,* for premises used for other forms of lawful gambling; *or*

(iii) *100 percent of the real estate taxes and assessments for premises constructed, acquired, or expended, if the construction, acquisition, or expansion was started before August 1, 1990;*

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; or

(12) payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by

other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure."

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

Mr. Johnson, D.J. questioned whether the first portion of the Berg amendment was germane.

The President ruled that the first portion of the amendment was not germane.

Mr. Johnson, D.J. questioned whether the second portion of the Berg amendment was germane.

The President ruled that the second portion of the amendment was germane.

The question was taken on the adoption of the second portion of the Berg amendment. The motion prevailed. So the second portion of the Berg amendment was adopted.

Ms. Runbeck moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 135, line 24, after "Washington" insert ", except that they do not

apply in home rule charter or statutory cities whose populations, as forecast by the metropolitan council, will be under 5,000 in the year 2020'

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Larson	Metzen	Robertson
Benson, D.D.	Johnston	Lesewski	Neuville	Runbeck
Benson, J.E.	Kiscaden	Lessard	Oliver	Solon
Dille	Knutson	McGowan	Olson	Stevens
Frederickson	Laidig	Merriam	Pariseau	

Those who voted in the negative were:

Adkins	Cohen	Kelly	Murphy	Sams
Anderson	Finn	Krentz	Novak	Samuelson
Beckman	Flynn	Kroening	Pappas	Spear
Bergin	Hanson	Luther	Piper	Stumpf
Bertram	Hottinger	Marty	Pogemiller	Vickerman
Betzold	Janezich	Moe, R.D.	Ranum	Wiener
Chandler	Johnson, D.J.	Mondale	Reichgott	
Chmielewski	Johnson, J.B.	Moise	Riveness	

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

Ms. Robertson moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 161, after line 28, insert:

"Sec. 5. Minnesota Statutes 1992, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include

instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g;

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(l) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a); and

(9) *the amount paid by an individual for premiums for long-term care policies. The premiums must have been paid during the taxable year for long-term care policies as defined in section 62A.46, subdivision 2; the individual or the individual's spouse or parent must be the insured person under the policy as defined in section 62A.46, subdivision 9; and the policy must be issued by a qualified insurer as defined in section 62A.46, subdivision 6, and must satisfy the requirements of sections 62A.46 to 62A.56."*

Page 164, line 33, delete ", 4, and" and insert "to"

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Chmielewski	Johnston	Lessard	Robertson
Belanger	Day	Kiscaden	McGowan	Runbeck
Benson, D.D.	Dille	Knutson	Neuville	Solon
Benson, J.E.	Finn	Laidig	Oliver	Stevens
Bertram	Frederickson	Larson	Olson	Vickerman
Betzold	Johnson, D.E.	Lesewski	Pariseau	Wiener

Those who voted in the negative were:

Adkins	Hottinger	Langseth	Morse	Ranum
Anderson	Janezich	Luther	Murphy	Reichgott
Berglin	Johnson, D.J.	Marty	Novak	Riveness
Chandler	Johnson, J.B.	Merriam	Pappas	Sams
Cohen	Kelly	Metzen	Piper	Samuelson
Flynn	Krentz	Moe, R.D.	Pogemiller	Spear
Hanson	Kroening	Mondale	Price	Stumpf

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

Mr. Hottinger moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Pages 1 to 4, delete section 1

Page 50, delete section 29 and insert:

“Sec. 28. Minnesota Statutes 1992, section 273.1398, is amended by adding a subdivision to read:

Subd. 3a. [DISPARITY REDUCTION AID TO CITIES.] Notwithstanding the provisions of subdivision 3 or section 275.08, subdivision 1d, the amount of disparity reduction aid for a city for aid payable in calendar year 1994 and thereafter is zero, and the local tax rate for taxes payable in 1994 and thereafter for a city shall not be adjusted under section 275.08, subdivision 1d. For purposes of this subdivision, city means a statutory or home rule charter city.”

Page 62, delete section 37

Page 65, after line 30, insert:

“Sec. 40. Minnesota Statutes 1992, section 477A.011, subdivision 1a, is amended to read:

Subd. 1a. [CITY.] “City” means a statutory or home rule charter city. City also means a town having a population of 5,000 or more for purposes of the aid payable under section 477A.013, subdivision 3. Towns are not eligible to be treated as cities for purposes of aid payable under section 477A.013, subdivision 5, or the aid adjustment under section 477A.013, subdivision 7.

Sec. 41. Minnesota Statutes 1992, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY NET TAX CAPACITY.] “City net tax capacity” means (1) 23 percent of the net tax capacity computed using the net tax capacity rates listed in Minnesota Statutes 1988, section 273.13, and the market values for aids payable in 1990 and the net tax capacity rates listed in Minnesota Statutes 1989 Supplement, section 273.13, for aids payable in 1991 and subsequent years for all taxable property within the city based on the assessment two

years prior to that for which aids are being calculated, taxes payable in the year prior to the aid distribution plus (2) a city's levy on the fiscal disparities distribution tax capacity under section 473F.08, subdivision 3 2, paragraph (a) (b), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing city net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The city net tax capacity will be computed using equalized market values.

Sec. 42. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 30. [CITY NET LEVY.] "City net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year before the aid distribution.

Sec. 43. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 31. [PRE-1940 HOUSING PERCENTAGE.] "Pre-1940 housing percentage" for a city is 100 times the most recent federal census count of all housing units in the city built before 1940, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Sec. 44. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 32. [POPULATION DECLINE PERCENTAGE.] "Population decline percentage" for a city is 100 times (1) the city's 1980 federal census population minus the most recent population estimate, divided by (2) the city's 1980 federal census population. A city's population decline percentage cannot be less than zero.

Sec. 45. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 33. [COMMERCIAL INDUSTRIAL PERCENTAGE.] "Commercial industrial percentage" for a city is 100 times the sum of the estimated market values of all real property in the city classified as class 3 under section 273.13, subdivision 24, excluding public utility property, divided by the total market value of all taxable real and personal property in the city. The market values are the amounts computed before any adjustments for fiscal disparities under section 473F.08. The market values used for this subdivision are not equalized.

Sec. 46. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 34. [TRANSFORMED POPULATION.] "Transformed population" for a city is the city population raised to the .3308 power, times 30.5485.

Sec. 47. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 35. [CITY REVENUE NEED.] (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) 3.462312 times the pre-1940 housing percentage; plus (2) 2.093826 times the commercial industrial percentage; plus (3) 6.862552 times the population decline percentage; plus (4) .00026 times the city population; plus (5) 152.0141.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 1.795919 times the pre-1940 housing percentage; plus (2) 1.562138 times the commercial industrial percentage; plus (3) 4.177568 times the population decline percentage; plus (4) 1.04013 times the transformed population; minus (5) 107.475.

(c) The city revenue need cannot be less than zero.

Sec. 48. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 36. [AVERAGE CITY NET TAX CAPACITY PER CAPITA.] Average city net tax capacity per capita is the sum of city net tax capacity for all cities divided by the total population of all cities.

Sec. 49. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 37. [REVENUE CAPACITY FACTOR.] The revenue capacity factor for a city is one minus the ratio of the city net tax capacity per capita divided by two times the average city net tax capacity per capita. A city's revenue capacity factor cannot be less than zero.

Sec. 50. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 8. [CITY AID INCREASE.] In calendar years 1994, 1995, and 1996, the aid increase for a city is equal to the need increase percentage times the city's revenue need, times the city's population, times the city's revenue capacity factor. The need increase percentage must be the same for all cities and must be calculated by the department of revenue so that the total of the aid increases under this subdivision equals the total amount available for aid increases under subdivision 10. The aid increase in any calendar year for any city must not exceed ten percent of the city net levy for the year prior to the aid distribution.

Sec. 51. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 9. [CITY AID DISTRIBUTION.] In calendar year 1994, each city shall receive an aid distribution equal to the sum of the local government aid and equalization aid it was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, the amount of disparity reduction aid it received in calendar year 1993 under section 273.1398, subdivision 3, plus the city aid increase under subdivision 8. In 1995 and thereafter, each city shall receive the amount of aid it received under this subdivision in the year before the aid distribution, plus the city aid increase under subdivision 8.

Sec. 52. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 10. [AMOUNT AVAILABLE FOR AID INCREASES.] In calendar year 1994, the amount available for aid increases is \$16,000,000."

Pages 65 and 66, delete section 42

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

Amend the title accordingly

Mr. Johnson, D.J. requested division of the amendment as follows:

First portion:

Pages 1 to 4, delete section 1

Page 50, delete section 29

Page 62, delete section 37

Pages 65 and 66, delete section 42

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

Amend the title accordingly

Second portion:

Page 50, after line 1, insert:

"Sec. 29. Minnesota Statutes 1992, section 273.1398, is amended by adding a subdivision to read:

Subd. 3a. [DISPARITY REDUCTION AID TO CITIES.] Notwithstanding the provisions of subdivision 3 or section 275.08, subdivision 1d, the amount of disparity reduction aid for a city for aid payable in calendar year 1994 and thereafter is zero, and the local tax rate for taxes payable in 1994 and thereafter for a city shall not be adjusted under section 275.08, subdivision 1d. For purposes of this subdivision, city means a statutory or home rule charter city."

Page 65, after line 30, insert:

"Sec. 43. Minnesota Statutes 1992, section 477A.011, subdivision 1a, is amended to read:

Subd. 1a. [CITY.] "City" means a statutory or home rule charter city. City also means a town having a population of 5,000 or more for purposes of the aid payable under section 477A.013, subdivision 3. Towns are not eligible to be treated as cities for purposes of aid payable under section 477A.013, subdivision 5, or the aid adjustment under section 477A.013, subdivision 7.

Sec. 44. Minnesota Statutes 1992, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY NET TAX CAPACITY.] "City net tax capacity" means (1) 23 percent of the net tax capacity computed using the net tax capacity rates listed in Minnesota Statutes 1988, section 273.13, and the market values for aids payable in 1990 and the net tax capacity rates listed in Minnesota Statutes 1989 Supplement, section 273.13, for aids payable in 1991 and subsequent years for all taxable property within the city based on the assessment two

years prior to that for which aids are being calculated, taxes payable in the year prior to the aid distribution plus (2) a city's levy on the fiscal disparities distribution tax capacity under section 473F.08, subdivision 3 2, paragraph (a) (b), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing city net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The city net tax capacity will be computed using equalized market values.

Sec. 45. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 30. [CITY NET LEVY.] "City net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year before the aid distribution.

Sec. 46. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 31. [PRE-1940 HOUSING PERCENTAGE.] "Pre-1940 housing percentage" for a city is 100 times the most recent federal census count of all housing units in the city built before 1940, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Sec. 47. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 32. [POPULATION DECLINE PERCENTAGE.] "Population decline percentage" for a city is 100 times (1) the city's 1980 federal census population minus the most recent population estimate, divided by (2) the city's 1980 federal census population. A city's population decline percentage cannot be less than zero.

Sec. 48. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 33. [COMMERCIAL INDUSTRIAL PERCENTAGE.] "Commercial industrial percentage" for a city is 100 times the sum of the estimated market values of all real property in the city classified as class 3 under section 273.13, subdivision 24, excluding public utility property, divided by the total market value of all taxable real and personal property in the city. The market values are the amounts computed before any adjustments for fiscal disparities under section 473F.08. The market values used for this subdivision are not equalized.

Sec. 49. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 34. [TRANSFORMED POPULATION.] "Transformed population" for a city is the city population raised to the .3308 power, times 30.5485.

Sec. 50. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 35. [CITY REVENUE NEED.] (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) 3.462312 times the pre-1940 housing percentage; plus (2) 2.093826 times the commercial industrial percentage; plus (3) 6.862552 times the population

decline percentage; plus (4) .00026 times the city population; plus (5) 152.0141.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 1.795919 times the pre-1940 housing percentage; plus (2) 1.562138 times the commercial industrial percentage; plus (3) 4.177568 times the population decline percentage; plus (4) 1.04013 times the transformed population; minus (5) 107.475.

(c) The city revenue need cannot be less than zero.

Sec. 51. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 36. [AVERAGE CITY NET TAX CAPACITY PER CAPITA.] Average city net tax capacity per capita is the sum of city net tax capacity for all cities divided by the total population of all cities.

Sec. 52. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 37. [REVENUE CAPACITY FACTOR.] The revenue capacity factor for a city is one minus the ratio of the city net tax capacity per capita divided by two times the average city net tax capacity per capita. A city's revenue capacity factor cannot be less than zero.

Sec. 53. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 8. [CITY AID INCREASE.] In calendar years 1994, 1995, and 1996, the aid increase for a city is equal to the need increase percentage times the city's revenue need, times the city's population, times the city's revenue capacity factor. The need increase percentage must be the same for all cities and must be calculated by the department of revenue so that the total of the aid increases under this subdivision equals the total amount available for aid increases under subdivision 10. The aid increase in any calendar year for any city must not exceed ten percent of the city net levy for the year prior to the aid distribution.

Sec. 54. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 9. [CITY AID DISTRIBUTION.] In calendar year 1994, each city shall receive an aid distribution equal to the sum of the local government aid and equalization aid it was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, the amount of disparity reduction aid it received in calendar year 1993 under section 273.1398, subdivision 3, plus the city aid increase under subdivision 8. In 1995 and thereafter, each city shall receive the amount of aid it received under this subdivision in the year before the aid distribution, plus the city aid increase under subdivision 8.

Sec. 55. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 10. [AMOUNT AVAILABLE FOR AID INCREASES.] In calendar year 1994, the amount available for aid increases is \$16,000,000."

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

Amend the title accordingly

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

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

Those who voted in the affirmative were:

Anderson	Finn	Johnson, J.B.	Metzen	Ranum
Beckman	Flynn	Kiscaden	Moe, R.D.	Sams
Berg	Frederickson	Kroening	Morse	Samuelson
Bertram	Hanson	Langseth	Murphy	Solon
Chmielewski	Hottinger	Larson	Neuville	Stevens
Day	Janezich	Lesewski	Novak	Stumpf
Dille	Johnson, D.J.	Lessard	Pappas	Vickerman

Those who voted in the negative were:

Adkins	Chandler	Laidig	Olson	Riveness
Belanger	Cohen	Luther	Pariseau	Robertson
Benson, D.D.	Johnson, D.E.	Marty	Piper	Runbeck
Benson, J.E.	Johnston	McGowan	Pogemiller	Spear
Berglin	Knutson	Merriam	Price	Wiener
Betzold	Krentz	Mondale	Reichgott	

The motion prevailed. So the first portion of the amendment was adopted.

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

The roll was called, and there were yeas 23 and nays 40, as follows:

Those who voted in the affirmative were:

Adkins	Day	Hottinger	Lessard	Sams
Anderson	Dille	Johnson, J.B.	Merriam	Stumpf
Beckman	Finn	Langseth	Morse	Vickerman
Bertram	Frederickson	Larson	Murphy	
Chmielewski	Hanson	Lesewski	Novak	

Those who voted in the negative were:

Belanger	Flynn	Laidig	Olson	Riveness
Benson, D.D.	Janezich	Luther	Pappas	Robertson
Benson, J.E.	Johnson, D.E.	Marty	Pariseau	Runbeck
Berg	Johnson, D.J.	McGowan	Piper	Samuelson
Berglin	Johnston	Metzen	Pogemiller	Solon
Betzold	Kiscaden	Moe, R.D.	Price	Spear
Chandler	Knutson	Mondale	Ranum	Stevens
Cohen	Krentz	Neuville	Reichgott	Wiener

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

RECONSIDERATION

Having voted on the prevailing side, Mrs. Pariseau moved that the vote whereby the second portion of the Benson, D.D. amendment to H.F. No. 1735 was not adopted on April 22, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Knutson	Morse	Reichgott
Belanger	Frederickson	Laidig	Neuville	Robertson
Benson, D.D.	Johnson, D.E.	Lesewski	Olson	Runbeck
Benson, J.E.	Johnson, J.B.	Marty	Pariseau	Spear
Berg	Johnston	McGowan	Piper	
Day	Kiscaden	Merriam	Price	

Those who voted in the negative were:

Adkins	Finn	Krentz	Murphy	Samuelson
Beckman	Flynn	Kroening	Novak	Solon
Berglin	Hanson	Larson	Pappas	Stevens
Bertram	Hottinger	Lessard	Pogemiller	Stumpf
Betzold	Janezich	Metzen	Ranum	Vickerman
Chandler	Johnson, D.J.	Moe, R.D.	Riveness	Wiener
Chmielewski	Kelly	Mondale	Sams	

The motion did not prevail.

Mr. Finn moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 243, after line 18, insert:

“Sec. 14. Minnesota Statutes 1992, section 471.15, is amended to read:

471.15 [RECREATIONAL FACILITIES.]

Any home rule charter or statutory city or any town, county, school district, or any board thereof, or any incorporated post of the American Legion or any other incorporated veterans' organization, may expend not to exceed \$800 in any one year, for the purchase of awards and trophies and may operate a program of public recreation and playgrounds; acquire, equip, and maintain land, buildings, or other recreational facilities, including an outdoor or indoor swimming pool; and expend funds for the operation of such program pursuant to the provisions of sections 471.15 to 471.19. The city, town, county or school district may issue bonds pursuant to chapter 475 for the purpose of carrying out the powers granted by this section. The city, town, county or school district may operate the program and facilities directly or establish one or more recreation boards to operate all or various parts of them. *A home rule charter or statutory city, town, county, or school district may conduct no more than two raffles each year, as defined in section 349.12, subdivision 33, with the sum of all prizes not to exceed \$100,000 in any year without complying with sections 349.11 to 349.213, for the purpose of carrying out the powers granted by this section.*”

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

Mr. Bertram questioned whether the amendment was germane.

The President ruled that the amendment was germane.

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

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Moe, R.D.	Riveness
Beckman	Finn	Kroening	Mondale	Sams
Bertram	Hanson	Lesewski	Morse	Samuelson
Betzold	Janezich	Lessard	Murphy	Solon
Chmielewski	Johnson, D.J.	Luther	Novak	Stumpf
Cohen	Johnson, J.B.	Metzen	Pogemiller	Vickerman

Those who voted in the negative were:

Anderson	Flynn	Knutson	Newville	Reichgott
Belanger	Frederickson	Laidig	Olson	Robertson
Benson, D.D.	Hottinger	Langseth	Pappas	Runbeck
Benson, J.E.	Johnson, D.E.	Larson	Pariseau	Spear
Berg	Johnston	Marty	Piper	Stevens
Chandler	Kelly	McGowan	Price	Wiener
Day	Kiscaden	Merriam	Ranum	

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

Mr. Belanger moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 65, after line 30, insert:

“Sec. 42. Minnesota Statutes 1992, section 473F.07, subdivision 1, is amended to read:

Subdivision 1. [AREAWIDE NET TAX CAPACITY.] Each county auditor shall certify the determinations under sections 473F.05 and 473F.06 to the administrative auditor on or before August 1 of each year.

The administrative auditor shall determine an amount for each municipality equal to 40 percent of the sum of the amounts amount certified under section 473F.06 but not to exceed 15 percent of its total net tax capacity, provided that the 15 percent cap under this paragraph must not reduce the amount for a municipality below the amount for the previous year. This amount must be certified by the county auditor to the administrative auditor and used in lieu of the 40 percent amount, where appropriate, for purposes of section 473F.08, subdivisions 2 and 6. The sum of the resulting amount amounts shall be known as the “areawide net tax capacity for(year).”

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

Amend the title accordingly

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

Mr. Janezich moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 247, after line 12, insert:

“ARTICLE 15

VIDEO LOTTERY

Section 1. [DEFINITIONS.]

Subdivision 1. [BOARD.] “Board” is the state lottery board.

Subd. 2. [CREDIT.] A "credit" has a cash value of 25 cents.

Subd. 3. [DIRECTOR.] "Director" is the director of the state lottery.

Subd. 4. [LICENSED ESTABLISHMENT.] "Licensed establishment" means an establishment licensed under Minnesota Statutes, chapter 340A, to sell, and engaged in the sale of intoxicating liquor for consumption on the premises where sold.

Subd. 5. [LOTTERY.] "Lottery" is the state lottery authorized in Minnesota Statutes, chapter 349A.

Subd. 6. [NET MACHINE INCOME.] "Net machine income" means money put into a video lottery machine minus credits paid out in cash.

Subd. 7. [SERVICE EMPLOYEE.] "Service employee" means an employee of an operator certified by the director to perform service, maintenance, and repair on video lottery machines.

Subd. 8. [EPROM.] "Eprom" means a computer chip that stores memory.

Subd. 9. [VIDEO LOTTERY MACHINE.] "Video lottery machine" or "machine" means an electronic video game machine that upon the insertion of a coin, token, or currency is available to simulate by video representation the play of pull-tabs utilizing a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens.

Subd. 10. [VIDEO LOTTERY MACHINE DISTRIBUTOR.] "Video lottery machine distributor" means an individual, partnership, corporation, or association that distributes or sells video lottery machines or associated equipment in this state.

Subd. 11. [VIDEO LOTTERY MACHINE MANUFACTURER.] "Video lottery machine manufacturer" means an individual, partnership, corporation, or association that assembles or produces video lottery machines or associated equipment for sale or use in this state.

Subd. 12. [VIDEO LOTTERY MACHINE OPERATOR.] "Video lottery machine operator" means an individual, partnership, corporation, or association that places video lottery machines or associated equipment for public use in this state.

Subd. 13. [VIDEO LOTTERY PROCUREMENT CONTRACT.] "Video lottery procurement contract" means a contract to provide video lottery products, computer hardware, and software used to monitor the operation of video lottery machines.

Sec. 2. [RULES.]

The director shall adopt rules under Minnesota Statutes, chapter 14, governing the following elements of video lottery:

- (1) the number and types of video lottery locations;
- (2) qualifications of licensed establishments, video lottery machine manufacturers, distributors, and operators and application procedures for licenses;
- (3) investigation of licensees;

- (4) appeal procedures for denial, suspension, or cancellation of licenses;
- (5) compensation of licensees;
- (6) accounting for and deposit of video lottery revenues by video lottery machine operators and licensed establishments;
- (7) procedures for issuing video lottery procurement contracts and for the investigation of bidders on those contracts;
- (8) payment of video lottery prizes;
- (9) procedures needed to ensure the integrity and security of video lottery;
- (10) specifications for video lottery machines, the components of the machines, and the central communication system used in the operation of the video lottery system; and
- (11) other rules the director considers necessary for the efficient operation and administration of video lottery.

Before adopting a rule the director shall submit the rule to the board for its review and comment. In adopting rules under clause (10), the director shall take into consideration standards adopted in other jurisdictions.

Sec. 3. [GAME PROCEDURES.]

The director may adopt game procedures governing the game types, odds, or the price for operation of a video lottery machine. The adoption of game procedures under this section is not subject to Minnesota Statutes, chapter 14. Before adopting a game procedure under this section, the director shall submit the procedure to the board for its review and comment.

Sec. 4. [CRIMINAL HISTORY.]

The director may request the director of gambling enforcement to investigate all applicants for video lottery machine manufacturer, distributor, operator, and establishment licenses to determine their compliance with the requirements of section 15, subdivision 5. The director has access to all criminal history data compiled by the director of gambling enforcement on any person holding or applying for a video lottery machine manufacturer, distributor, operator, or establishment license.

Sec. 5. [VENDOR CONTRACTS.]

The director must comply with the requirements contained in Minnesota Statutes, section 349A.07, before entering into a video lottery procurement contract.

Sec. 6. [VIDEO LOTTERY MACHINE MANUFACTURERS, DISTRIBUTORS, OPERATORS, AND ESTABLISHMENTS.]

A person who is a video lottery machine manufacturer, distributor, operator, or a licensed establishment, or who is applying to be a video lottery machine manufacturer, distributor, operator, or licensed establishment may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the director, board member, employee of the lottery board, or to a member of the immediate family residing in the same household as that person.

Sec. 7. [REQUIREMENTS FOR LICENSED VIDEO LOTTERY MACHINES.]

A video lottery machine licensed under this article must:

(1) *offer only games approved by the director;*
(2) *not have any means of manipulation that affect the random probabilities of winning a video lottery game; and*

(3) *have a minimum of one electronic or mechanical coin acceptor that must be installed in each video lottery machine. A video lottery machine may also contain bill accepters for \$1 bills, \$5 bills, \$10 bills, and \$20 bills. The bill accepters may be for any single bill or combination of bills in the denominations listed in this clause. Approval letters and test reports of the coin and bill accepters from other state or federal jurisdictions may be submitted. However, all coin and bill accepters are subject to approval by the director.*

Sec. 8. [LIMIT ON AMOUNT PLAYED AND AWARDS GIVEN.]

A video lottery machine must not allow more than \$2 to be played on a game and must not award free games or credits in excess of the value of \$125 per credit value of 25 cents played. The payback value of one credit must be at least 88 percent and not more than 95 percent of the value of the credit.

Sec. 9. [DISPLAY OF LICENSE FOR VIDEO LOTTERY MACHINE; CONFISCATION; VIOLATION.]

A video lottery machine must be licensed by the director before placement or operation on the premises of a licensed establishment. The machine must have the license prominently displayed on it. A machine that does not display the license required by this section is contraband and subject to confiscation by a law enforcement officer. A violation of this section is a misdemeanor.

Sec. 10. [APPLICATION FOR APPROVAL OF A VIDEO LOTTERY MACHINE.]

A manufacturer or distributor must not distribute a video lottery machine for placement in the state unless the machine has been approved by the director. A manufacturer may apply for approval of a video lottery machine or associated equipment while an application for the manufacturer's license is pending, provided that no machine or associated equipment may be distributed for placement until the license application has been approved.

Sec. 11. [EXAMINATION OF VIDEO LOTTERY MACHINES.]

The director must examine prototypes of video lottery machines of manufacturers seeking a license as required in this article. The director must require a manufacturer seeking examination and approval of a video lottery machine to pay the anticipated actual costs of the examination in advance and, after the completion of the examination, must refund overpayments or charge and collect amounts sufficient to reimburse the lottery for underpayment of actual costs. The director may contract for the examination of video lottery machines as required by this section.

Sec. 12. [TESTING OF VIDEO LOTTERY MACHINES.]

The director may require working models of a video lottery machine to be transported to a location the director designates for testing, examination, and

analysis. The manufacturer must pay all costs of testing, examination, analysis, and transportation of the machine models.

Sec. 13. [REPORT OF TEST RESULTS.]

After each test has been completed, the director must provide the machine manufacturer with a report that contains findings, conclusions, and pass/fail results. The report may contain recommendations for modifications to bring the machine into compliance with law and rules.

Sec. 14. [MODIFICATIONS TO PREVIOUSLY APPROVED MODELS.]

The machine manufacturer and distributor are responsible for the assembly and initial operation of a video lottery machine in the manner approved and specified in a license issued by the director. The manufacturer and distributor must not change the assembly or operational functions of a machine for placement in the state unless a request for modification has been approved by the director.

Sec. 15. [VIDEO LOTTERY MACHINE MANUFACTURERS, DISTRIBUTORS, OPERATORS, ESTABLISHMENTS; LICENSES; PROHIBITIONS.]

Subdivision 1. [LICENSE REQUIRED.] A person must not engage in business as a video lottery machine manufacturer, distributor, operator, or licensed establishment in this state without a license from the director under this section.

Subd. 2. [CONDITION ON LICENSED ESTABLISHMENTS.] (a) As a condition of the issuance of a license under this article, a licensed establishment, which as of March 31, 1993, leases space in the licensed establishment to an organization licensed to conduct lawful gambling under Minnesota Statutes, chapter 349, must continue to lease space to a licensed organization for the duration of the license of the licensed establishment.

(b) Any licensed establishment in which a video lottery machine is placed and operated must provide training to its employees for the recognition and prevention of compulsive gambling in accordance with standards established by the director.

Subd. 3. [PROHIBITIONS.] (a) A video lottery machine manufacturer must not sell, offer for sale, or furnish a video lottery machine for use in this state to a person who is not a video lottery machine distributor licensed by the director.

(b) A video lottery machine distributor must not sell, offer for sale, or furnish a video lottery machine for use in the state to a person who is not a licensed video lottery machine operator.

(c) A video lottery machine operator must not lease or furnish a video lottery machine for use in this state to a licensed establishment that is not licensed by the director.

(d) A licensed establishment must not lease a video lottery machine from a person not licensed as a video lottery machine operator.

Subd. 4. [APPLICATION.] (a) An application for a video lottery machine manufacturer, distributor, operator, or licensed establishment license must be accompanied by a corporate surety bond issued by a surety licensed to do

business in this state in an amount determined by the director conditioned on compliance by the applicant with the provisions of the license. The bond required by this subdivision must be kept in full force during the period covered by the license.

(b) Upon receipt of the application, the bond in proper form, and payment of the license fee required under this section, the director must issue a license, in a form prescribed by the director, to the applicant unless the director determines that the applicant is otherwise unqualified. A refusal to issue a license is a contested case under Minnesota Statutes, sections 14.57 to 14.69.

(c) The license permits the applicant to whom it is issued to engage in business as a video lottery machine manufacturer, distributor, operator, or licensed establishment at the place of business shown in the application. The director must assign a license number to each licensee when the initial license is issued. The license number must be inscribed on all licenses issued to a manufacturer, distributor, operator, or licensed establishment.

Subd. 5. [QUALIFICATIONS.] (a) A license may not be issued under this section to a video lottery machine manufacturer, distributor, operator, or licensed establishment that has as a partner, officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the applicant, a person who has either: (1) for a license for a video lottery machine operator or a licensed establishment, within the previous five years been convicted of a felony or gross misdemeanor, a crime involving fraud or misrepresentation, a gambling-related offense or owes \$500 or more in delinquent taxes as defined in Minnesota Statutes, section 270.72; or (2) for a license for a video lottery manufacturer or distributor, fails to satisfy the requirements contained in Minnesota Statutes, section 299L.07, subdivision 3.

(b) A video lottery machine operator must be a resident of this state and, if a partnership or corporation, the majority of ownership interests must be held by residents of this state.

(c) The director shall require that all service employees or other persons authorized to open a video lottery machine be fingerprinted. The director may charge a fee for the fingerprinting.

(d) The director may adopt rules to establish additional requirements to preserve the integrity and security of the lottery.

Subd. 6. [LICENSE FEES.] The annual license fees for video lottery machine manufacturers, distributors, operators, and licensed establishments are:

- (1) \$5,000 for a video lottery machine manufacturer's license;
- (2) \$5,000 for a video lottery machine distributor's license;
- (3) \$1,000 for a video lottery machine operator's license for up to 25 licensed machines and \$100 per licensed machine thereafter; and
- (4) \$100 for a retailer at whose establishment a video lottery machine is located.

The fees collected in this subdivision shall be deposited in the lottery fund and used to pay for the costs of conducting background investigations for licensees.

A license issued under this section is not transferable or assignable without the express written consent of the director.

Subd. 7. [RECORDS.] *(a) Manufacturers, distributors, and operators of video lottery machines must maintain a record of all video lottery machines sold or purchased. The record must include:*

(1) the identity of the person or firm to whom the video lottery machine was sold;

(2) the identity of the person or firm from whom the video lottery machine was purchased;

(3) the registration number of the video lottery machine; and

(4) the date of sale.

(b) The invoice for each sale must be retained for at least three years after the sale is completed and a copy of the invoice is delivered to the director. For purposes of this subdivision, a sale is completed when the video lottery machine is physically delivered to the purchaser.

(c) Manufacturers and distributors must report monthly to the director, in a form the director prescribes, their sales of each type of video lottery machine. The director or the director of gambling enforcement may inspect or cause to have inspected the books, records, and other documents of a manufacturer or distributor at any reasonable time without notice and without a search warrant.

Subd. 8. [LOCAL LICENSE.] *No political subdivision may require a local license to operate a video lottery machine, restrict or regulate the placement of a video lottery machine, or impose a tax or fee on the operation of video lottery machine except as specifically permitted under section 28.*

Sec. 16. [INVESTIGATION FEE.]

The director may charge a nonrefundable investigation fee to a person applying for a license as a video lottery machine manufacturer, distributor, operator, or licensed establishment in an amount sufficient to cover the cost of making the investigation required by section 4. The director may also charge a nonrefundable fee for an annual investigation of a licensee. Any fee collected under this section must be deposited into the lottery fund.

Sec. 17. [MAINTENANCE LOG FORMS REQUIRED.]

A written maintenance log must be kept in the main cabinet access area of a video lottery machine. Every person, including lottery and law enforcement personnel, who gains entry into an internal space of a video lottery machine must sign the log, indicate the time and date of entry, indicate the mechanical meter readings, and list the area inspected or repaired. The maintenance log forms must be obtained from the director and retained by operators for a period of three years from the date of the last entry. The maintenance logs must be available for inspection by the director upon request.

Sec. 18. [KEYS TO MACHINES.]

An operator must provide to the director master keys in a number determined by the director for access to the main cabinet door and locked logic area of a machine placed in operation.

Sec. 19. [NOTIFICATION OF REPAIRS TO THE LOGIC AREA.]

A repair to the logic board or circuitry within the logic area must be reported by the operator to the director immediately upon completion of the repair. The operator must also submit a written report of the repair to the director within 24 hours. If a logic board is replaced, the report must include the serial number of the replacement board.

Sec. 20. [NOTIFICATION OF BROKEN SEALS ON LOGIC BOARD.]

The eproms on the logic board of a video lottery machine must be sealed by the lottery after initial inspection. An operator must inform the director in writing of a break or tear in the sealed tape noticed during routine maintenance checks that were not the result of a repair under section 19.

Sec. 21. [PAYMENT FOR CREDITS.]

(a) A licensed establishment must pay for all credits won in the operation of the video lottery machine upon presentment of a valid credit receipt displaying the credits awarded to the player. The establishment must not pay a player on the basis of a credit receipt that has been defaced or tampered with. Upon payment to the player, the establishment must immediately cancel the credit receipt in a manner that prevents its reuse.

(b) The licensed establishment is responsible for accounting for all disbursements paid for credits won by the player and must supply that information to the director and to the operator.

(c) The operator is responsible for accounting to the establishment and to the director the machine income and must remit to the director the state's percentage of net machine income within the time periods required.

(d) Notwithstanding Minnesota Statutes, section 349A.08, subdivision 8, the director shall not be required to report to the department of revenue the name, address, and social security number of a winner of a prize from the operation of a video lottery machine.

(e) The director, board member, an employee of the state lottery, or a member of the immediate family of the director, board member, or employee of the state lottery residing in the same household, may not play a game on a video lottery machine or receive a prize from a video lottery machine.

Sec. 22. [RESTRICTION ON PAYMENT OF CREDITS.]

A licensed establishment may redeem credit receipts only for credits awarded on video lottery machines located on its premises. A credit receipt must be presented for payment before the close of business on the date the credit receipt was printed. Neither the lottery nor the state is liable for the payment of credits on valid credit receipts. A credit receipt redeemed by a licensed establishment must be marked or defaced in a manner that prevents subsequent presentment and payment.

Sec. 23. [LIABILITY FOR MACHINE MALFUNCTION.]

Neither the lottery nor the state is responsible for a machine malfunction that causes credits to be wrongfully awarded or denied to players. The operator is solely responsible for a wrongful award or denial of credits. An operator's liability is limited to the number of credits for the game displayed

in the game rules and may not be greater than \$1,000 for any succession of games played.

Sec. 24. [PROHIBITION.]

A distributor or operator of a video lottery machine must not also be a wholesale distributor of liquor or alcoholic beverages.

Sec. 25. [MULTIPLE TYPES OF LICENSES PROHIBITED.]

A video lottery machine manufacturer must not be licensed as a video lottery machine distributor or operator or own, manage, or control a licensed establishment. A video lottery machine distributor must not be licensed as a video lottery machine operator or own, manage, or control a licensed establishment. A video lottery machine operator must not be licensed as a video lottery machine manufacturer or distributor. An owner or manager of a licensed establishment must not be licensed as a video lottery machine manufacturer or distributor.

Sec. 26. [RULES FOR PLACEMENT OF VIDEO LOTTERY MACHINES; NUMBER LIMITED; SECURITY.]

Subdivision 1. [NUMBER OF MACHINES.] A maximum of two video lottery machines may be placed in a licensed establishment. The placement of a video lottery machine in a licensed establishment is subject to the rules of the director.

Subd. 2. [SECURITY.] The licensed establishment is required to install a camera surveillance system.

Sec. 27. [HOURS OF OPERATIONS OF MACHINES.]

A video lottery machine may be played only during the legal hours for on-sale consumption of alcoholic beverages as provided in Minnesota Statutes, chapter 340A.

Sec. 28. [VIDEO LOTTERY MACHINE INCOME; NET MACHINE INCOME TAX; PENALTIES.]

(a) The percentages of the net machine income required to be remitted to the director from the operation of a video lottery machine referred to in this section constitute a trust fund until paid to the director. The licensed establishment and the video lottery machine operator are jointly and severally liable for the state's share of the net machine income. In any claim for net machine income the state shall have priority for its share over any other claim.

(b) The state shall impose a tax on the net machine income in the amount of 30 percent. Of the tax imposed by the state, the director must remit to the state department of revenue from the lottery fund an amount equivalent to 2-1/2 percent of that tax which shall be directed to the commissioner of human services for the compulsive gambling treatment program as provided in Minnesota Statutes, section 245.98. Thirty-three percent of the tax imposed by the state shall be dedicated for property tax relief.

(c) Any organization licensed under Minnesota Statutes, chapter 349, and conducting lawful gambling in the licensed establishment is entitled to ten percent of the net machine income from the operation of a video lottery machine. A local statutory or home rule charter city or county may require by ordinance that the organization contribute up to ten percent of the amount of

net machine income the organization receives to a fund administered and regulated by the responsible local unit of government for disbursement by the responsible local unit of government for lawful purposes contributions or expenditures, as defined in Minnesota Statutes, section 349.12, subdivision 25, paragraph (a). If there is no organization conducting lawful gambling at the licensed establishment, the ten percent shall be remitted to the local statutory or home rule charter city or county in which the licensed establishment is located for the purpose of economic development within that jurisdiction.

(d) The tax imposed by the state and the percentage under paragraph (c) of net machine income must be reported and remitted to the director on the days determined by the director. The amount remitted to the director under this paragraph must be deposited into the lottery fund. The amount required to be remitted under paragraph (b) shall be included in the calculation of gross revenue under Minnesota Statutes, chapter 349A.

(e) An operator who falsely reports or fails to report the amount due as required by this section is guilty of a misdemeanor and is subject to termination of the operator's license.

(f) An operator must keep a record of net machine income in the form the director requires. A payment not remitted when due must be paid together with a penalty assessment on the unpaid balance at a rate of 1-1/2 percent per month.

(g) The operator of a video lottery machine shall be entitled to 70 percent of net machine income as commission. Any amount due an organization under paragraph (c) and to a licensed establishment under a location agreement shall be paid by the operator solely and exclusively from commission retained by the operator under this paragraph.

(h) Notwithstanding Minnesota Statutes, section 297A.02, sales of plays on a video lottery machine are exempt from the sales tax imposed in that section.

Sec. 29. [REMITTANCE THROUGH ELECTRONIC TRANSFER OF FUNDS.]

The operator of a video lottery machine must remit the state's percentage of net machine income and the amount required to be remitted under section 28, paragraph (c), through the electronic transfer of funds. The operator must furnish to the director all information and bank authorizations required to facilitate timely payment to the director. The operator must provide the director 30 days' advance notice of a proposed account change to ensure the uninterrupted electronic transfer of funds.

Sec. 30. [INTEREST ON LATE PAYMENT OR INSUFFICIENT FUNDS PAYMENT.]

An operator must maintain a balance in its account in an amount to cover the state's percentage of net machine income set forth in section 28. If an operator fails to maintain a balance in the account as required by this section, the director must assess interest at the rate of 1-1/2 percent per month on the unpaid balance. If an operator fails to remit full payment, including interest, before the next payment date, the director may disable the machine and prevent further play, suspend or revoke the operator's license, or impose a civil fine.

Sec. 31. [AUDIT TAPE.]

An operator must retain an audit tape that records an exact duplicate of tickets printed and transactions recorded in the video lottery machine. The audit tape must be kept for a period of three years, identified by machine, and stored in a secure area.

Sec. 32. [INCOME RECORD KEEPING.]

An operator must keep accurate records of net machine income generated from a machine. The director must prepare and mail to the operator a statement reflecting the net machine income and the state's percentage of that amount before the date payment is remitted through the electronic transfer of funds. An operator must report to the director any discrepancies in net machine income between the lottery's statement and a machine's mechanical and electronic meter readings. The director is not responsible for resolving discrepancies in net machine income between actual money collected and the amount shown on the accounting meters or billing statement. In the event of a discrepancy, the operator must submit to the director information, including, without limitation, current mechanical meter readings and the audit ticket that contains electronic meter readings generated by the machine's software, necessary to resolve the discrepancy.

Sec. 33. [REQUEST FOR REPORTS.]

An operator may request, and the director must supply to the extent available, additional reports on play transactions of a video lottery machine and other marketing information not considered confidential by the director. The director may charge a fee for the cost of producing and mailing the reports and information.

Sec. 34. [REVOCAION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.]

(a) The director must revoke the license of a video lottery machine manufacturer, distributor, operator, or licensed establishment that:

(1) for an operator of a licensed establishment, has been convicted of a felony, gross misdemeanor, or a gambling-related offense within the previous five years, or, for a video lottery machine manufacturer or distributor, has been convicted of a gambling-related offense at any time;

(2) has provided false or misleading information to the division;

(3) fails to comply with section 15, subdivision 2; or

(4) for a video lottery manufacturer or distributor, fails to comply with the requirements in Minnesota Statutes, section 299L.07, subdivision 3.

(b) The director may revoke, suspend, or refuse to renew the license of a video lottery machine manufacturer, distributor, operator, or licensed establishment that:

(1) fails to remit funds to the director in accordance with the director's rules;

(2) violates a law or a rule or order of the director;

(3) fails to comply with any of the terms in the license;

(4) fails to comply with bond requirements under section 15, subdivision 4; or

(5) has violated Minnesota Statutes, section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also revoke, suspend, or refuse to renew a license of a video lottery machine manufacturer, distributor, operator, or licensed establishment if there is a material change in any of the factors considered by the director under section 15, subdivision 5.

(d) A license cancellation, suspension, or refusal to renew under this subdivision is a contested case under Minnesota Statutes, sections 14.57 to 14.69, and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a license without notice for any of the reasons specified in this section provided that a hearing is conducted within seven days after a request for a hearing is made by a licensee. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

Sec. 35. [FRAUD.]

A person is guilty of a gross misdemeanor if the person does any of the following with intent to defraud the state lottery:

(1) alters or counterfeits a credit receipt from a video lottery machine;

(2) knowingly presents an altered or counterfeited credit receipt from a video lottery machine for payment;

(3) knowingly transfers an altered or counterfeited credit receipt from a video lottery machine to another person;

(4) tampers with or manipulates the outcome, prize payable, or operation of a video lottery machine; or

(5) otherwise claims a video lottery prize by means of fraud, deceit, or misrepresentation.

Sec. 36. [GAMBLING DEVICE; VIDEO LOTTERY DEVICE.]

Subdivision 1. [VIDEO LOTTERY DEVICE.] Notwithstanding Minnesota Statutes, section 349A.13, clause (2), this article authorizes the director to install or operate a video lottery device operated by coin or currency which when operated determines the winner of a game.

Subd. 2. [GAMBLING DEVICE.] Notwithstanding Minnesota Statutes, section 609.75, subdivision 4, a gambling device does not include a video lottery machine operated by the state lottery under this article.

Subd. 3. [VIDEO LOTTERY MACHINE.] Minnesota Statutes, sections 609.755 and 609.76, do not prohibit the manufacture, sale, placement, or operation of a video lottery machine under this article.

Sec. 37. [AGE.]

(a) A licensed establishment must not allow a person under the age of 21 to operate a video lottery machine.

(b) A person under the age of 21 must not operate a video lottery machine.

(c) It is an affirmative defense under paragraph (a) for the licensed establishment to prove by a preponderance of the evidence that the licensed establishment reasonably and in good faith relied on representation of proof of age described in Minnesota Statutes, section 340A.503, subdivision 6, in allowing the operation of the video lottery machine.

Sec. 38. [SERVICE AND REPAIR; TRAINING.]

(a) A video lottery machine must not be placed in operation in the state until training that has been approved by the director in the service and repair of the machine has taken place as hereafter provided.

(b) A manufacturer or distributor must provide training in the service and repair of each machine model approved by the director.

(c) A video lottery machine must not be placed in operation in the state until the manufacturer or distributor has provided the required training in the service and repair of the machine model approved by the director.

(d) A manufacturer or distributor must provide the training to the operator and its service employees and must certify to the director that the required training has been completed.

(e) A manufacturer or distributor must provide subsequent training programs to inform operators of new developments in the service and repair of its machines.

(f) A manufacturer or distributor must inform the director of the names of operators and service employees who attend and successfully complete each training program. The director must issue a certificate to each person certified signifying that the person is certified to service and repair video lottery machines of the particular manufacturer and model.

Sec. 39. [MAINTENANCE OF VIDEO LOTTERY MACHINES.]

Video lottery machines must be serviced and maintained in a manner and condition approved by the director.

Sec. 40. [INSPECTIONS.]

Manufacturers, distributors, operators, and licensed establishments must provide immediate access to all records and the physical premises of the business for inspection at the request of the director.

Sec. 41. [TELEPHONE LINES.]

The operator of a video lottery machine is responsible for the installation, operation, and funding of telephone lines into a licensed establishment as required by the director to provide direct communication between the machine and the central computer operated by the lottery.

Sec. 42. [LOCATION AGREEMENTS.]

(a) A video lottery machine operator must have a location agreement that is approved by the director with the licensed establishment providing at least the following:

(1) designation of the location where the video lottery machine is to be placed for use by the public; and

(2) provision for the share in revenue generated from net machine income to be apportioned to the operator and to the licensed establishment.

(b) A copy of the location agreement must be retained by the operator and the licensed establishment and be available for review and inspection by the director.

(c) The location agreement may contain other terms and conditions agreed to by the operator and licensed establishment.

Sec. 43. [REPEALER.]

This article is repealed August 1, 1995.

Sec. 44. [EFFECTIVE DATE.]

Article 15 is effective the day following final enactment."

Amend the title accordingly

Mr. Johnson, D.J. questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 45, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kroening	McGowan	Stevens
Beckman	Hanson	Laidig	Metzen	Stumpf
Benson, D.D.	Janezich	Lesewski	Samuelson	Vickerman
Bertram	Johnson, D.E.	Lessard	Solon	

Those who voted in the negative were:

Anderson	Dille	Kiscaden	Mondale	Price
Belanger	Finn	Knutson	Morse	Ranum
Benson, J.E.	Flynn	Krentz	Murphy	Reichgott
Berg	Frederickson	Langseth	Neuville	Riveness
Berglin	Hottinger	Larson	Novak	Robertson
Betzold	Johnson, D.J.	Luther	Olson	Runbeck
Chandler	Johnson, J.B.	Marty	Pappas	Sams
Cohen	Johnston	Merriam	Pariseau	Spear
Day	Kelly	Moe, R.D.	Piper	Wiener

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

Mr. Merriam moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Pages 72 and 73, delete section 50

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

Amend the title accordingly

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

Mr. Merriam then moved to amend H.F. No. 1735, as amended by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 408.)

Page 82, delete section 3

Page 83, delete lines 20 and 21

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1735 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, J.B.	Merriam	Price
Anderson	Dille	Kelly	Metzen	Ranum
Beckman	Flynn	Krentz	Moe, R.D.	Reichgott
Belanger	Frederickson	Laidig	Mondale	Riveness
Benson, D.D.	Hanson	Langseth	Morse	Sams
Berg	Hottinger	Larson	Novak	Spear
Berglin	Janezich	Lesewski	Pappas	Stumpf
Betzold	Johnson, D.E.	Luther	Piper	Vickerman
Chandler	Johnson, D.J.	Marty	Pogemiller	Wiener

Those who voted in the negative were:

Benson, J.E.	Johnston	McGowan	Pariseau	Stevens
Bertram	Kiscaden	Murphy	Robertson	
Chmielewski	Knutson	Neuville	Runbeck	
Day	Kroening	Oliver	Samuelson	
Finn	Lessard	Olson	Solon	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 408, on General Orders, be stricken and laid on the table. The motion prevailed.

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 1332: A bill for an act relating to children; providing time periods for permanent dispositions involving children in need of protection or services; limiting multiple foster care placements; defining special efforts for relative searches; establishing standards for a finding of abandonment; amending Minnesota Statutes 1992, sections 257.071, by adding subdivisions; 257.072, subdivision 1, and by adding a subdivision; 259.455;

260.191, subdivisions 1d, 2, and by adding subdivisions; and 260.221, subdivision 1.

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

Page 1, after line 12, insert:

“Section 1. [257.0651] [COMPLIANCE WITH INDIAN CHILD WELFARE ACT.]

Sections 257.03 to 257.075 must be construed consistently with the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963.”

Pages 1 and 2, delete section 2 and insert:

“Sec. 3. Minnesota Statutes 1992, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of subdivisions 3 and 4, if the child has been placed in a residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within ~~42~~ six months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, ~~subdivision 1a, to determine if the placement is in the best interests of the child.~~

The case plan must be updated when a petition is filed and must include a specific plan for permanency.

Sec. 4. Minnesota Statutes 1992, section 257.071, is amended by adding a subdivision to read:

Subd. 8. [RULES ON REMOVAL OF CHILDREN.] The commissioner shall adopt rules establishing criteria for removal of children from their homes.”

Page 2, line 28, before the period, insert “and for recruiting foster and adoptive families of the same racial or ethnic heritage as the child” and after “standards” insert “for relative placements.”

Page 2, after line 30, insert:

“Sec. 7. Minnesota Statutes 1992, section 259.28, is amended by adding a subdivision to read:

Subd. 3. [COMPLIANCE WITH INDIAN CHILD WELFARE ACT.] The provisions of this chapter must be construed consistently with the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963.”

Page 3, after line 10, insert:

“Sec. 9. [260.157] [COMPLIANCE WITH INDIAN CHILD WELFARE ACT.]

The provisions of this chapter must be construed consistently with the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963."

Page 4, line 21, before "for" insert "(a)"

Page 4, line 27, after "priority" insert a comma and after "interests" insert "and subject to section 260.181, subdivision 3"

Page 4, line 32, before "The" insert "(b)"

Page 5, line 5, delete everything after the period

Page 5, delete lines 6 to 28 and insert:

"Sec. 14. Minnesota Statutes 1992, section 260.192, is amended to read:

260.192 [DISPOSITIONS; VOLUNTARY FOSTER CARE PLACEMENTS.]

Upon a petition for review of the foster care status of a child, the court may:

(a) Find that the child's needs are being met and, that the child's placement in foster care is in the best interests of the child and that the child will be returned to the parent's care in the next six months, in which case the court shall approve the voluntary arrangement and continue the matter for six months to assure the child returns to the parent's home. The court shall order the social service agency responsible for the placement to bring a petition pursuant to either section 260.131, subdivision 1 or section 260.131, subdivision 1a, as appropriate, within two years if court review was pursuant to section 257.071, subdivision 3 or 4, or within one year if court review was pursuant to section 257.071, subdivision 2.

(b) Find that the child's needs are not being met, in which case the court shall order the social service agency or the parents to take whatever action is necessary and feasible to meet the child's needs, including, when appropriate, the provision by the social service agency of services to the parents which would enable the child to live at home, and shall order an administrative review of the case again within six months and a review by the court within one year.

(c) Find that the child has been abandoned by parents financially or emotionally, or that the developmentally disabled child does not require out-of-home care because of the handicapping condition, in which case the court shall order the social service agency to file an appropriate petition pursuant to sections 260.131, subdivision 1, or 260.231.

Nothing in this section shall be construed to prohibit bringing a petition pursuant to section 260.131, subdivision 1 or 2, sooner than required by court order pursuant to this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the first comma, insert "subdivision 3, and" and delete "subdivisions" and insert "a subdivision"

Page 1, line 9, after the semicolon, insert "259.28, by adding a subdivision;

Page 1, line 11, after the semicolon, insert "260.192;" and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapters 257; and 260"

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

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

S.F. No. 673: A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; appropriating money; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 144.4175, subdivision 4; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 257.69, subdivision 1; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, and 12; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 541.04; 548.09, subdivision 1; 548.091, subdivision 3a; 550.01; 588.20; 595.02, subdivision 1; 609.375, subdivisions 1 and 2; and 626.556, subdivisions 3 and 8; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

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

Page 9, line 10, delete "INCENTIVE" and insert "REIMBURSEMENT" and delete "An incentive" and insert "A fee"

Page 9, line 14, delete "bonus" and insert "fee"

Page 9, line 18, after "payment" insert "of \$25"

Page 9, after line 28, insert:

"(f) Payments will be made to the medical provider within the limit of available appropriations."

Page 12, line 28, delete "retained" and insert "deposited" and after "revenue" insert "in the state treasury and credited to the general fund"

Page 12, line 29, after "or" insert "retained"

Page 52, line 23, delete "bonus" and insert "fee"

Page 52, after line 24, insert:

"Subd. 4. \$714,000 in fiscal year 1994 and \$730,000 in fiscal year 1995 is appropriated from the general fund to the commissioner of human services to provide paternity establishment bonuses to counties.

Subd. 5. \$677,000 in fiscal year 1994 and \$1,129,000 in fiscal year 1995 is appropriated from the general fund to the commissioner of human services to provide child support order review bonuses to counties.

Subd. 6. \$250,000 is appropriated in fiscal year 1994 and \$250,000 in fiscal year 1995 to the commissioner of revenue for the arrearage collection pilot project.

Subd. 7. \$47,000 in fiscal year 1994 and \$38,000 in fiscal year 1995 is appropriated from the general fund to the commissioner of human services to

fund one full-time position and one part-time position and for systems-related costs.

Subd. 8. \$100,000 is appropriated in fiscal year 1994 for a study of a single-check system for child support payments."

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

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

S.F. No. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision

1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

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

Page 5, line 26, before the period, insert “, wherever possible”

Page 7, line 1, delete “expended” and insert “June 30, 1994”

Page 9, delete lines 24 to 35 and insert:

“\$600,000 is transferred from the medical assistance account to the community social services act grant account.”

Page 12, line 52, after “recommendations” insert “for the 1994-95 biennium”

Page 12, line 57, after “services” insert “, including resources for community placements and waived services for persons with mental retardation and related conditions,”

Page 32, line 4, delete “(f)” and insert “(d)”

Page 70, line 8, after “DOWNSIZING” insert “PILOT PROJECT”

Page 70, line 9, before “The” insert “(a)”

Page 70, line 11, after “needs” insert “who, in the absence of these services, would require placement in more restrictive settings”

Page 70, line 19, delete “program”

Page 70, line 20, delete “subpart 3,”

Page 70, line 22, before “For” insert:

“(b) The facility's aggregate investment-per-bed limit in effect before downsizing must be the facility's investment-per-bed limit after downsizing. The facility's total revenues after downsizing must not increase as a result of the downsizing project. The facility's total revenues before downsizing are determined by multiplying the payment rate in effect the day before the downsizing is effective by the number of resident days for the reporting year preceding the downsizing project.”

Page 70, line 28, after the period, insert:

“(c)”

Page 71, line 2, before “The” insert “(a)”

Page 71, line 15, delete “program”

Page 71, lines 16 and 17, delete “subpart 3,”

Page 71, delete lines 18 to 21

Page 71, line 22, delete everything before "For" and insert:

"(b) The facility's aggregate investment-per-bed limit in effect before downsizing must be the facility's investment-per-bed limit after downsizing. The facility's total revenues after downsizing must not increase as a result of the downsizing project. The facility's total revenues before downsizing are determined by multiplying the payment rate in effect the day before the downsizing is effective by the number of resident days for the reporting year preceding the downsizing project."

Page 71, line 25, before the period, insert ", section 2"

Page 71, line 27, before "The" insert "(a)"

Page 72, line 3, delete "program"

Page 72, line 4, delete "subpart 3,"

Page 72, delete lines 6 to 10 and insert:

"(b) The facility's aggregate investment-per-bed limit in effect before downsizing must be the facility's investment-per-bed limit after downsizing. The facility's total revenues after downsizing must not increase as a result of the downsizing project. The facility's total revenues before downsizing are determined by multiplying the payment rate in effect the day before the downsizing is effective by the number of resident days for the reporting year preceding the downsizing project."

Page 72, lines 13 and 32, before the period, insert ", section 2"

Page 72, line 15, before "The" insert "(a)"

Page 72, line 27, delete "program"

Page 72, line 29, delete "subpart 3," and after the period, insert:

"(b) The facility's aggregate investment-per-bed limit in effect before downsizing must be the facility's investment-per-bed limit after downsizing. The facility's total revenues after downsizing must not increase as a result of the downsizing project. The facility's total revenues before downsizing are determined by multiplying the payment rate in effect the day before the downsizing is effective by the number of resident days for the reporting year preceding the downsizing project."

Page 86, line 17, after "calendar" insert "year"

Page 88, line 33, after the comma, insert "and"

Page 91, line 9, delete "defendant(s)" and insert "defendants"

Page 94, line 15, strike "(a)"

Page 96, line 6, reinstate the stricken "256B.14" and delete "256B.15"

Page 99, lines 2 and 3, strike "long-term care" and insert "medical assistance"

Page 99, lines 5 and 6, strike "long-term care" and insert "medical assistance"

Page 139, line 29, delete "(c)" and insert "(d)"

- Page 142, line 11, after "*services*" insert "*identified as*".
- Page 150, line 15, delete "*defendant(s)*" and insert "*defendants*".
- Page 163, delete line 28.
- Page 163, line 29, before "*The*" insert "*Subd. 5. [REPORT.]*".
- Page 163, line 36, delete "*144A.071, subdivisions 4*" and insert "*252.478*".
- Page 164, line 1, delete "*and 5, are*" and insert "*is*".
- Re-number the sections of article 6 in sequence.
- Page 189, line 12, delete "*month*" and insert "*months*".
- Page 194, delete section 24.
- Page 197, lines 23 and 27, delete "*health maintenance organization*" and insert "*prepaid provider*".
- Page 197, line 29, after "*shall*" insert "*assist the recipient to appeal the prepaid provider's denial pursuant to section 256.045, and may*".
- Page 197, line 34, delete "*is*" and insert "*are*".
- Page 197, line 35, before the period, insert "*, and which were determined to be medically necessary as a result of an appeal pursuant to section 256.045*".
- Page 197, line 36, delete "*county*" and insert "*mental health provider*" and before "*provider's*" insert "*prepaid*".
- Page 198, line 3, delete everything after the comma and insert "*or an appeal results in a determination that the services were not medically necessary, the county may not seek reimbursement from the prepaid provider.*".
- Page 198, delete lines 4 to 8.
- Page 198, line 28, delete "*There*" and insert "*there*".
- Page 198, line 29, delete the period and insert "*; and*".
- Page 198, line 30, delete "*For*" and insert "*for*".
- Page 199, line 3, delete "*clause*" and insert "*paragraph*".
- Page 199, line 11, delete "*6*" and insert "*7*".
- Page 200, line 10, delete "*6*" and insert "*7*".
- Page 207, lines 14 and 16, delete the comma and insert a semicolon.
- Page 210, line 34, delete the comma.
- Page 217, line 24, delete "*clause*" and insert "*paragraph*".
- Page 222, line 31, delete the comma.
- Page 225, line 7, after "*provider*" insert a comma.
- Page 233, line 6, delete "*3a*" and insert "*1c, paragraph (d)*".

Page 240, after line 18, insert:

“Sec. 67, Minnesota Statutes 1992, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies, *insurance records relating to the monetary payment or settlement of claims, and wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility, information for public assistance programs.* Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation *or welfare fraud investigation and there is probable cause that a crime has been committed. This provision applies only to the records of business entities and does not extend to private individuals or their dwellings. Subpoenas may only be served by peace officers as defined by section 626.84, subdivision 1, paragraph (c).*”

Page 252, line 4, delete “(a)”

Page 252, line 5, delete “and 9” and insert “, 9, and 10”

Page 252, delete lines 7 and 8

Page 252, line 12, delete “24” and insert “67”

Page 252, line 14, delete “61 to 67” and insert “60 to 66”

Page 252, line 15, delete “67” and insert “66”

Page 252, line 17, delete “45” and insert “44”

Page 252, lines 19 and 20, delete “28, and 40 to 44, and 46 to 59” and insert “27, 39 to 43, and 45 to 58”

Page 252, line 25, delete “35 to 37” and insert “34 to 36”

Renumber the sections of article 7 in sequence

Page 263, line 3, delete “family” and insert “families”

Page 265, line 11, delete “, 33, and 34,” and insert “to 34”

Page 270, line 34, after “9520.0926” insert a comma

Page 271, lines 11, 21, and 32, after “9520.0926” insert a comma

Page 272, line 3, after “9520.0926” insert a comma

Page 273, line 6, delete “245.495” and insert “245.496”

Page 279, lines 29 and 34, after “state-operated” insert a comma

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

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

S.F. No. 1251: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; defining highway purpose; changing the county state-aid fund apportionment formula and the composition of the screening board; increasing motor fuel tax rate and requiring annual rate adjustment; increasing motor vehicle excise tax rate and transferring proceeds to transit assistance fund; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 162.02, subdivisions 7, 8, and by adding a subdivision; 162.07, subdivisions 1, 5, and 6; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivision 2; 171.11; 171.22, subdivision 1; 174.02; by adding a subdivision; 174.32, subdivision 2; 296.02, subdivisions 1a, 1b, and by adding a subdivision; 296.025, subdivision 1a; 297B.02, subdivision 1; and 297B.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

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

Pages 14 to 17, delete sections 13 to 18

Pages 23 and 24, delete sections 28 and 29.

Pages 24 to 26, delete sections 31 and 32 and insert:

“Sec. 23. Minnesota Statutes 1992, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [MOTOR VEHICLE LEASES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon leases of motor vehicles is 6.5 percent.

Sec. 24. [I-35 MORATORIUM.]

The commissioner of transportation must not initiate land acquisition for highway capacity improvement projects on marked interstate route I-35W before August 1, 1994.”

Page 26, delete lines 15 to 17

Page 26, line 18, delete “22” and insert “16”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert “establishing a temporary moratorium on the interstate route I-35W project;”

Page 1, line 8, delete everything after the semicolon

Page 1, delete line 9

Page 1, line 14, delete everything after the semicolon

Page 1, delete line 15

Page 1, delete line 20 and insert "subdivision 1a;"

Page 1, delete line 21 and insert "296.025, subdivision 1a; and 297A.02, by adding a subdivision;"

Page 1, line 22, delete everything before "proposing"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 673, 1496 and 1251 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Riveness moved that S.F. No. 867 be withdrawn from the Committee on Crime Prevention and re-referred to the Committee on Finance. The motion prevailed.

MEMBERS EXCUSED

Mr. Beckman was excused from the Session of today from 8:30 to 11:40 a.m. Ms. Pappas was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Janezich was excused from the Session of today from 9:20 to 10:20 a.m. Mr. Terwilliger was excused from the Session of today at 10:45 a.m. Mr. Oliver was excused from the Session of today from 3:00 to 4:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Friday, April 23, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SECOND DAY

St. Paul, Minnesota, Friday, April 23, 1993

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Richard Keene Smith.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 854, 1122 and 1205.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 22, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 854: A bill for an act relating to drivers' licenses; eliminating driver's license endorsement requirement for special transportation service drivers; amending Minnesota Statutes 1992, sections 171.02, subdivision 2; 171.10, subdivision 2; and 171.13, subdivision 5; repealing Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1216, now on General Orders.

H.F. No. 1122: A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1142, now on General Orders.

H.F. No. 1205: A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1192, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 1398 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1398	1264				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1398 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1398 and insert the language after the enacting clause of S.F. No. 1264, the first engrossment; further, delete the title of H.F. No. 1398 and insert the title of S.F. No. 1264, the first engrossment.

And when so amended H.F. No. 1398 will be identical to S.F. No. 1264, and further recommends that H.F. No. 1398 be given its second reading and

substituted for S.F. No. 1264, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 1442 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1442	980				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1442 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1442 and insert the language after the enacting clause of S.F. No. 980, the first engrossment; further, delete the title of H.F. No. 1442 and insert the title of S.F. No. 980, the first engrossment.

And when so amended H.F. No. 1442 will be identical to S.F. No. 980, and further recommends that H.F. No. 1442 be given its second reading and substituted for S.F. No. 980, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 974 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
974	1013				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 974 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 974 and insert the language after the enacting clause of S.F. No. 1013, the first engrossment; further, delete the title of H.F. No. 974 and insert the title of S.F. No. 1013, the first engrossment.

And when so amended H.F. No. 974 will be identical to S.F. No. 1013, and further recommends that H.F. No. 974 be given its second reading and

substituted for S.F. No. 1013, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 1169 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1169	1228				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1169 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1169 and insert the language after the enacting clause of S.F. No. 1228, the first engrossment; further, delete the title of H.F. No. 1169 and insert the title of S.F. No. 1228, the first engrossment.

And when so amended H.F. No. 1169 will be identical to S.F. No. 1228, and further recommends that H.F. No. 1169 be given its second reading and substituted for S.F. No. 1228, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1398, 1442, 974 and 1169 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Kelly moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Riveness be added as chief author to S.F. No. 553. The motion prevailed.

Ms. Anderson moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1087. The motion prevailed.

Mr. Langseth moved that the name of Ms. Hanson be added as a co-author to S.F. No. 1251. The motion prevailed.

CALENDAR

H.F. No. 576: A bill for an act relating to state government; providing for appointments to advisory task forces, councils, and committees, administra-

five boards, and agencies; clarifying reporting requirements and term limits; amending Minnesota Statutes 1992, sections 15.014, subdivision 2; 15.0575, subdivision 2; 15.059, subdivision 2; 15.0597, subdivisions 2, 4, 5, and 7; and 214.09, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 57: A bill for an act relating to traffic regulations; making technical corrections; clarifying situations when certain school bus signals should not be used; providing evidentiary presumption regarding school buses; clarifying definition of special transportation as not including transportation of children by school bus; limiting weight of vehicles that may be towed by holder of class B driver's license; providing for revocation of school bus driver endorsement; amending Minnesota Statutes 1992, sections 169.443, subdivision 3; 169.444, subdivision 7; 171.01, subdivision 24; 171.02, subdivision 2; and 171.17, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 672: A bill for an act relating to traffic regulations; providing for

the traffic offense of failure to maintain control of a vehicle; providing penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Finn and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 653: A bill for an act relating to town roads; permitting cartways to be established on alternative routes; amending Minnesota Statutes 1992, section 164.08, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1368: A bill for an act relating to the environment; imposing criminal penalties for knowing violations of air pollution requirements; amending Minnesota Statutes 1992, section 609.671, subdivisions 9 and 12.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Dille and Stevens voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 846: A bill for an act relating to civil commitment; authorizing new procedures for return of certain patients who are absent from treatment facilities without authorization; amending Minnesota Statutes 1992, section 253B.23, subdivision 1a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 661: A bill for an act relating to agriculture; regulating dairy trade practices; providing for fees; changing enforcement procedures; amending Minnesota Statutes 1992, sections 32A.01; 32A.02; 32A.04; 32A.05, subdivisions 1, 4, and by adding subdivisions; 32A.07; 32A.071; 32A.08; and 32A.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 32A; repealing Minnesota Statutes 1992, sections 32A.03; 32A.05, subdivision 3; and 32A.09, subdivisions 5 and 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 167: A bill for an act relating to insurance; health; modifying eligibility for the private employers insurance program and small employer insurance coverages; amending Minnesota Statutes 1992, sections 43A.317, subdivision 5; and 62L.02, subdivision 26.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 670: A bill for an act relating to insurance; health; regulating benefits for outpatient mental or nervous disorder treatment; amending Minnesota Statutes 1992, section 62A.152, subdivisions 2 and 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 240: A bill for an act relating to health; changing the membership requirements of the board of nursing; amending Minnesota Statutes 1992, section 148.181, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended as to waive the lie-over requirement for the remainder of the Calendar. The motion prevailed.

S.F. No. 122: A bill for an act relating to human services; requiring a minimum funding level for each grantee under the Head Start program which is no less than that of fiscal year 1993; amending Minnesota Statutes 1992, section 268.914, subdivision 1; repealing Minnesota Statutes 1992, section 268.914, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1161: A bill for an act relating to crime; expanding definition of domestic abuse to include terroristic threats; allowing child abuse interviews to be conducted at a designated location; amending Minnesota Statutes 1992, sections 518B.01, subdivision 2; and 626.556, subdivision 10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1060: A bill for an act relating to crime; sentencing; clarifying that a misdemeanor conviction in which the court stays imposition of sentence is nevertheless counted as a misdemeanor for purposes of determining the penalty for a subsequent offense; amending Minnesota Statutes 1992, section 609.13, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1129: A bill for an act relating to financial institutions; regulating institutions, deposits, rates and charges, enforcement provisions; modifying the definition of insurance premium finance licensee; amending Minnesota Statutes 1992, sections 45.025, by adding a subdivision; 46.044; 46.048, subdivision 1; 46.09; 47.0156; 47.096; 47.20, subdivision 4a; 47.52; 47.54, subdivision 4; 47.55, subdivision 1; 47.56; 48.04; 48.05; 48.09; 48.194; 48.24, subdivisions 1, 7, and 8; 48.61, subdivisions 2, 3, and 4; 49.35; 49.36, subdivisions 1 and 4; 51A.02, subdivision 43; 52.04, subdivision 1, and by adding a subdivision; 52.12; 53.03, subdivision 5; 53.04, by adding a subdivision; 53.09, by adding a subdivision; 56.10; 56.131, subdivision 1; 56.155, subdivision 1; 59A.06, subdivision 3; 82B.03, subdivision 2; 300.20, subdivision 2; 300.21; 336.4-104; proposing coding for new law in Minnesota Statutes, chapter 56; repealing Minnesota Statutes 1992, sections 46.048, subdivision 2; and 48.24, subdivision 4.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 872: A bill for an act relating to game and fish; abolishing the nonresident bear guide license; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Larson	Neuville	Sams
Anderson	Day	Lessard	Novak	Samuelson
Beckman	Dille	Luther	Oliver	Solon
Belanger	Finn	Marty	Olson	Spear
Benson, D.D.	Hottinger	McGowan	Piper	Stevens
Berg	Janezich	Metzen	Price	Stumpf
Bertram	Knutson	Moe, R.D.	Reichgott	Vickerman
Chandler	Kroening	Morse	Riveness	Wiener
Chmielewski	Langseth	Murphy	Runbeck	

Those who voted in the negative were:

Benson, J.E.	Frederickson	Johnson, J.B.	Lesewski	Ranum
Berglin	Johnson, D.E.	Johnston	Merriam	Robertson
Betzold	Johnson, D.J.	Kiscaden	Pappas	Terwilliger

So the bill passed and its title was agreed to.

S.F. No. 639: A bill for an act relating to the environment; providing for the disposal of ash from incinerators operated by the Western Lake Superior Sanitary District; amending Minnesota Statutes 1992, section 458D.07, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Hottinger	Johnson, J.B.	Morse	Wiener
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So the bill passed and its title was agreed to.

S.F. No. 105: A bill for an act relating to crime; repealing authority of conference of chief judges to establish a schedule of misdemeanors to be treated as petty misdemeanors; amending Minnesota Statutes 1992, section 609.101, subdivision 4; repealing Minnesota Statutes 1992, section 609.131, subdivision 1a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Chmielewski, Finn and Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1315: A bill for an act relating to burial grounds; creating a council of traditional Indian practitioners to make recommendations regarding the management, treatment, and protection of Indian burial grounds and of human remains or artifacts contained in or removed from those grounds; proposing coding for new law in Minnesota Statutes, chapter 307.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1006: A bill for an act relating to veterans; authorizing the veterans homes board to define residency by board rule; amending Minnesota Statutes 1992, section 198.022.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Bertram	Flynn	Kiscaden	Marty
Anderson	Betzold	Frederickson	Knutson	McGowan
Beckman	Chandler	Hottinger	Kroening	Merriam
Belanger	Chmielewski	Janezich	Langseth	Metzen
Benson, D.D.	Cohen	Johnson, D.E.	Larson	Moe, R.D.
Benson, J.E.	Day	Johnson, D.J.	Lesewski	Morse
Berg	Dille	Johnson, J.B.	Lessard	Murphy
Berglin	Finn	Johnston	Luther	Neuville

Novak	Pogemiller	Robertson	Spear	Wiener
Oliver	Price	Runbeck	Stevens	
Olson	Ranum	Sams	Stumpf	
Pappas	Reichgott	Samuelson	Terwilliger	
Piper	Riveness	Solon	Vickerman	

So the bill passed and its title was agreed to.

S.F. No. 1221: A bill for an act relating to motor vehicles; requiring license plates to stay with motor carrier on prorate truck; changing the registration period for prorate vehicles; excepting prorate vehicles from renewal notice requirements; making owner-operator subject to suspension of plates and international fuel tax agreement license for certain delinquent filings or payments; authorizing warning lamps on solid waste collection vehicles; amending Minnesota Statutes 1992, sections 168.09, subdivisions 3 and 5; 168.12, subdivision 1; 168.187, subdivision 26; 168.31, subdivision 4a; and 169.64, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 546: A bill for an act relating to outdoor recreation; prohibiting motor sports areas within the Dorer Memorial Hardwood Forest without county and township board approval.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 636: A bill for an act relating to pollution control; requiring a study of the feasibility of including the city of Red Wing in the state financial assistance program for combined sewer overflow.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 429: A bill for an act relating to alcoholic beverages; reciprocity in interstate transportation of wine; changing definitions of licensed premises, restaurant, and wine; authorizing an investigation fee on denied licenses; disqualifying felons from licensing; revising authority for suspensions and civil penalties; making rule violations and false or incomplete statements in license applications misdemeanors; providing instructions to the revisor; penalties for importation of excess quantities; proof of age for purchase or consumption; opportunity for a hearing for license revocation or suspension; prohibiting certain transactions; authorizing the dispensing of intoxicating liquor at the Como Park lakeside pavilion; authorizing dispensing of liquor by an on-sale licensee at the National Sports Center in Blaine; authorizing the city of Apple Valley to issue on-sale licenses on zoological gardens property and to allow an on-sale license to dispense liquor on county-owned property within the city; authorizing Houston county to issue an on-sale intoxicating liquor license to establishments in Crooked Creek and Brownsville townships; authorizing the town of Schroeder in Cook county to issue an off-sale license to an exclusive liquor store; authorizing an on-sale liquor license in Dalbo township of Isanti county; authorizing Stillwater to issue an additional on-sale intoxicating liquor license to a hotel in the city; authorizing Aitkin county to issue one off-sale liquor license to a premises located in Farm Island township; authorizing Pine county to issue one Sunday on-sale intoxicating liquor license to a licensed premises located in Barry township; amending Minnesota Statutes 1992, sections 297C.09; 340A.101, subdivisions 15, 25, and 29; 340A.301, subdivision 3; 340A.302, subdivision 3; 340A.308; 340A.402; 340A.415; 340A.503, subdivision 6; 340A.703; and 340A.904, subdivision 1; Laws 1983, chapter 259, section 8; Laws 1992, chapter 486, section 11; proposing coding for new law in Minnesota Statutes, chapters 297C; and 340A; repealing Minnesota Statutes 1992, section 340A.903.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Metzen	Reichgott
Anderson	Flynn	Laidig	Moe, R.D.	Riveness
Beckman	Hottinger	Langseth	Morse	Samuelson
Belanger	Janezich	Larson	Murphy	Solon
Benson, D.D.	Johnson, D.E.	Lesewski	Novak	Spear
Berg	Johnson, D.J.	Lessard	Pappas	Stumpf
Bertram	Johnson, J.B.	Luther	Piper	Vickerman
Betzold	Johnston	Marty	Pogemiller	Wiener
Chandler	Kelly	McGowan	Price	
Cohen	Knutson	Merriam	Ranum	

Those who voted in the negative were:

Benson, J.E.	Frederickson	Oliver	Runbeck	Terwilliger
Day	Kiscaden	Olson	Sams	
Finn	Neuville	Robertson	Stevens	

So the bill passed and its title was agreed to.

S.F. No. 1152: A bill for an act relating to metropolitan government; setting conditions for tax equivalent payments; amending Minnesota Statutes 1992, section 473.341.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1171: A bill for an act relating to crime; creating a commission on nonfelony enforcement to review the proportionality and enforcement of petty misdemeanor, misdemeanor, and gross misdemeanor offenses; requiring a report.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messr. Bertram, Sams and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred

S.F. No. 1559: A bill for an act relating to education; clarifying the early childhood family education formula; modifying the pupil transportation levy for late activities; amending Minnesota Statutes 1992, sections 124.226, subdivision 9; and 124.2711, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1: Minnesota Statutes 1992, section 16A.1541, is amended to read:
16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning in November 1990, forecast unrestricted budgetary general fund balances are first appropriated to the department of education for the purpose of section 124A.226. Additional money may be used to restore the budget and cash flow reserve account to \$550,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to 27 percent before money is

allocated to the budget and cash flow reserve account under the preceding sentence.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2, Minnesota Statutes 1992, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 124.914, subdivision 1; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus 50.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 50.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 124.914, subdivision 1, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411; and

(v) amounts levied under section 5.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund

the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 3. Minnesota Statutes 1992, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as ~~one pupil unit~~ *1.105 pupil unit for fiscal year 1994 and 1.145 pupil unit for fiscal year 1995 and thereafter.*

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

Sec. 4. Minnesota Statutes 1992, section 124.19, subdivision 4, is amended to read:

Subd. 4. (a) In a school where the number of instructional hours in the school day is greater than the number of instructional hours prescribed in the rules of the state board for the school day, the excess number of instructional hours for those days may be included in calculating the required number of days school is in session for purposes of fulfilling the requirements of subdivision 1, provided that the school is in session for not less than 160 days during the school year, ~~and provided that no.~~

(b) Instructional hours ~~are included~~ from half-day sessions or any school day which has ~~less fewer~~ instructional hours than the number of instructional hours prescribed in the rules of the state board *must not be included without approval from the commissioner of education.*

(c) *The commissioner shall approve the inclusion of hours described in paragraph (b) only if the average number of instructional hours for all school days in the school year equals or exceeds the number of instructional hours prescribed in the rules of the state board.*

Sec. 5. [124.755] [STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the term "debt obligation" means either a tax or aid anticipation certificate of indebtedness, a general obligation bond, or a certificate of participation in lease purchase obligations, as appropriate.

Subd. 2. [NOTIFICATIONS; PAYMENT; APPROPRIATION.] (a) If a school district believes that it may be unable to make a principal or interest payment on any outstanding debt obligation on the date that payment is due, it must notify the commissioner of education of that fact as soon as possible, but not less than 15 working days before the date that principal or interest payment is due. The notice shall include the name of the school district, an identification of the debt obligation issue in question, the date the payment is due, the amount of principal and interest due on the payment date, the amount of principal or interest that the school district will be unable to repay on that date, the paying agent for the debt obligation, the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested by the district under this section. If a paying agent becomes aware of a potential default, it shall inform the commissioner of education of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner of education shall notify the commissioner of finance of the potential default. Upon receipt of this notice from the commissioner of education, which must include a final figure as to the amount due that the school district will be unable to repay on the date due, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due subject to the availability of appropriations. The amounts needed for the purposes of this subdivision are annually appropriated to the department of education from the state general fund. The obligation of the state under this subdivision shall constitute a current expense of the state for each fiscal year and does not constitute or create a general or moral obligation or indebtedness of the state within the meaning of the Constitution and laws of the state in excess of the money from time to time appropriated and the state has no continuing obligation to appropriate money for payments under this subdivision.

(b) The departments of education and finance shall jointly develop detailed procedures for school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to

expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 3. [SCHOOL DISTRICT BOUND; INTEREST RATE ON STATE PAID AMOUNT.] *If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's debt obligation on a specific date, the school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the state treasurer's invested cash rate as it is certified by the commissioner of finance. Interest shall only accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4 and other payments received from the district.*

Subd. 4. [PLEDGE OF DISTRICT'S FULL FAITH AND CREDIT.] *If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district to repay to the state the amount paid, with interest. Amounts paid by the state shall be repaid in the order in which the state payments were made.*

Subd. 5. [AID REDUCTION FOR REPAYMENT.] *Except as provided in this subdivision, the state shall reduce the state aid payable to the school district under chapters 124, 124A, and 273, according to the schedule in section 124.155, subdivision 2, by the amount paid by the state under this section on behalf of the school district, plus the interest due on it, and the amount reduced shall revert from the appropriate account to the state general fund. Payments from the school endowment fund or any federal aid payments shall not be reduced. If, after review of the financial situation of the school district, the commissioner of education advises the commissioner of finance that a total reduction of the aids would cause an undue hardship on or an undue disruption of the educational program of the school district, the commissioner of education, with the approval of the commissioner of finance, may establish a different schedule for reduction of those aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the school district from other revenue sources.*

Subd. 6. [TAX LEVY FOR REPAYMENT.] (a) *With the approval of the commissioner of education, a school district may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. The proceeds of this levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by the amount levied. This levy by the school district is not eligible for debt service equalization under section 124.95.*

(b) *If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state*

makes the payment, the commissioner of education must require the school district to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. To prevent undue hardship, the commissioner may allow the district to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the school district is not eligible for debt service equalization under section 124.95 or any successor provision. A levy under this subdivision must be explained as a specific increase at the meeting required under section 275.065, subdivision 6.

Subd. 7. [ELECTION AS TO MANDATORY APPLICATION.] A school district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of education of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the school district obligates itself to be bound by this section, it shall covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner of education under subdivision 1 that it will be unable to make all or a portion of that payment. A school district that has obligated itself shall include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner of education if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. If a school district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a district is unable to make payments on one or more of those issues, it shall continue to make payments on the remaining issues.

Subd. 8. [MANDATORY PLAN; TECHNICAL ASSISTANCE.] If the state makes payments on behalf of a district under this section or the district defaults in the payment of principal or interest on an outstanding debt obligation, it shall submit a plan to the commissioner of education for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department shall provide technical assistance to the school district in preparing its plan. If the commissioner determines that a school district's plan is not adequate, the commissioner shall notify the school district that the plan has been disapproved, the reasons for the disapproval, and that the state shall not make future payments under this section for debt obligations issued after the date specified in that notice until its plan is approved. The commissioner may also notify the school district that until its plan is approved, other aids due the district will be withheld after a date specified in the notice.

Sec. 6. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 15a. [MARGINAL COST PUPIL UNIT.] 'Marginal cost pupil units' means the sum of .77 times the pupil units identified in section 124.17, subdivision 1, for the current school year and .23 times the pupil units for the previous school year.

Sec. 7. Minnesota Statutes 1992, section 124A.03, subdivision 1e, is amended to read:

Subd. 1e. [TOTAL REFERENDUM REVENUE.] The total referendum revenue for each district equals (1) the district's referendum allowance according to subdivision 1b minus its referendum allowance reduction according to subdivision 3b times (2) the actual pupil units for the school year.

Sec. 8. Minnesota Statutes 1992, section 124A.03, subdivision 1f, is amended to read:

Subd. 1f. [REFERENDUM EQUALIZATION REVENUE.] A district's referendum equalization revenue equals ~~ten percent of the formula allowance~~ \$315 times the district's actual pupil units for that year.

Referendum equalization revenue must not exceed a district's ~~referendum revenue allowance times the district's actual pupil units total referendum revenue~~ for that year.

Sec. 9. Minnesota Statutes 1992, section 124A.03, subdivision 1g, is amended to read:

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to ~~50~~ 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8.

Sec. 10. Minnesota Statutes 1992, section 124A.03, is amended by adding a subdivision to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] (a) For a district with a referendum allowance greater than 30 percent of the formula allowance, the referendum allowance reduction equals one-fourth of the difference between:

(1) the sum of difference between (i) the district's training and experience revenue and compensatory education revenue per actual pupil unit for that fiscal year and (ii) the district's training and experience and compensatory education revenue per actual pupil unit for fiscal year 1994; and

(2) the amount of the supplemental allowance reduction according to section 124A.22, subdivision 8b, but not more than a district's referendum allowance.

(b) A district's referendum allowance reduction must not exceed the difference between the district's referendum allowance and 30 percent of the formula allowance.

Sec. 11. [124A.038] [DISCRETIONARY REVENUE.]

Subdivision 1. [DISCRETIONARY REVENUE ALLOWANCE.] A district's discretionary revenue allowance equals the discretionary revenue authority for that year divided by its actual pupil units for that school year. A district's discretionary revenue allowance must not exceed 30 percent of the formula allowance for the fiscal year for which it is attributable. A district that qualifies for sparsity revenue under section 124A.22 is not subject to a discretionary revenue allowance limit.

Subd. 1e. [TOTAL DISCRETIONARY REVENUE.] The total discretionary revenue for each district equals the district's discretionary revenue allowance times the actual pupil units for the school year.

Subd. 2. [DISCRETIONARY REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be conducted during the calendar year before the increased revenue, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased revenue per actual-pupil unit, the estimated income tax rate as a percentage of taxable personal income in the first year it is to be applied, and that the revenue shall be used to finance school operations. The ballot may state that existing discretionary revenue authority or referendum revenue authority is expiring. In this case, the ballot may also compare the proposed income tax authority to the existing expiring income or property tax authority, and express the proposed increase as the amount, if any, over the expiring discretionary or referendum revenue authority. The ballot shall designate the specific number of years, not to exceed five, for which the discretionary revenue authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, independent school district No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the revenue is authorized for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first-class mail at least 15 days but no more than 30 days prior to the day of the referendum to each residential address in the school district, a notice of the referendum and the proposed revenue increase. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical family incomes within the school district.

The notice for a referendum may state that an existing discretionary or referendum revenue authority is expiring and project the anticipated amount of increase over the existing discretionary income tax or referendum property tax, if any, in annual dollars and annual percentage for typical family incomes within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your personal income taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the revenue amount must be based upon the amount per actual pupil unit that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a), must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first-class mail at least 20 days before the referendum.

Subd. 2b. [REFERENDUM DATE.] In addition to the referenda allowed in subdivision 2, clause (a), the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 12. Minnesota Statutes 1992, section 124A.04, subdivision 2, is amended to read:

Subd. 2. [1993 AND LATER.] The training and experience index for fiscal year 1993 and later fiscal years must be constructed in the following manner:

(a) The department shall construct a matrix that classifies teachers by the extent of training received in accredited institutions of higher education and

by the years of experience that districts take into account in determining teacher salaries.

(b) The average salary for each cell of the matrix must be computed as follows using data from the second year of the previous biennium:

(1) For each school district, multiply the salary paid to full-time equivalent teachers with that combination of training and experience according to the district's teacher salary schedule by the number of actual pupil units in that district.

(2) Add the amounts computed in clause (1) for all districts in the state and divide the resulting sum by the total number of actual pupil units in all districts in the state that employ teachers.

(c) For each cell in the matrix, compute the ratio of the average salary in that cell to the average salary for all teachers in the state. Cells of the matrix in lanes beyond the master's degree plus 30 credits lane must receive the same ratio as the cells in the master's degree plus 30 credits lane.

(d) The index for each district that employs teachers equals the sum of the ratios for each teacher in that district divided by the number of teachers in that district. The index for a district that employs no teachers is zero.

Sec. 13. Minnesota Statutes 1992, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] (a) For fiscal year 1992, The *previous formula* training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract 1.6 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$700 times the *actual marginal cost* pupil units for the school year.

(b) For 1993 and later fiscal years, The maximum training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$575 times the *actual marginal cost* pupil units for the school year.

(c) For 1993 and later fiscal years, the *previous formula* training and experience revenue for each district equals the amount of training and experience revenue computed for that district according to the formula used to compute training and experience revenue for fiscal year 1992.

(d) For fiscal year 1993, the training and experience revenue for each district equals the district's *previous formula* training and experience revenue plus one-fourth of the difference between the district's maximum training and experience revenue and the district's *previous formula* training and experience revenue.

(e) For fiscal year 1994, the training and experience revenue for each district equals the district's *previous formula* training and experience revenue plus one-half of the difference between the district's maximum training and

experience revenue and the district's previous formula training and experience revenue.

(f) (d) For fiscal year 1995, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus three-fourths of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(g) (e) For fiscal year 1996 and thereafter, the training and experience revenue for each district equals the district's maximum training and experience revenue.

Sec. 14. Minnesota Statutes 1992, section 124A.22, subdivision 4a, is amended to read:

Subd. 4a. [TRAINING AND EXPERIENCE LEVY.] A district's training and experience levy equals its training and experience revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual marginal cost pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Sec. 15. Minnesota Statutes 1992, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. ~~If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.~~

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 16. Minnesota Statutes 1992, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SECONDARY SPARSITY REVENUE.] (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23, shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 17. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8a. [INITIAL SUPPLEMENTAL ALLOWANCE.] A district's initial supplemental allowance for 1995 and later fiscal years equals the sum of the following amounts:

- (1) the district's minimum allowance, plus
- (2) 75 percent of the difference between the formula allowance for that fiscal year and \$3,050, less
- (3) the sum of its basic revenue, previous formula compensatory education revenue, previous formula training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue per marginal cost pupil unit for that fiscal year.

Sec. 18. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8b. [SUPPLEMENTAL ALLOWANCE REDUCTION.] (a) If a district's initial supplemental allowance for 1995 or a later fiscal year is less than \$250, the district's supplemental allowance reduction equals one-fourth of the difference between (1) the sum of the district's training and experience revenue and compensatory education revenue per marginal cost pupil unit for that fiscal year and (2) the sum of the district's training and experience

revenue and compensatory education revenue per marginal cost pupil unit for fiscal year 1994.

(b) If a district's initial supplemental allowance is greater than \$250, the district's supplemental allowance reduction equals the greater of:

(1) an amount equal to the lesser of (i) the district's initial supplemental allowance minus \$250, or (ii) the sum of (A) the difference between the district's training and experience revenue and its previous formula training and experience revenue per marginal cost pupil unit for that fiscal year and (B) the difference between the district's compensatory education revenue and its previous formula compensatory education per marginal cost pupil unit for that fiscal year, or

(2) an amount equal to one-fourth of the difference between (i) the sum of the district's training and experience revenue and compensatory education revenue per marginal cost pupil unit for that fiscal year and (ii) the sum of the district's training and experience revenue and compensatory education revenue per marginal cost pupil unit for fiscal year 1994, but not greater than the district's initial supplemental allowance for that fiscal year.

Sec. 19. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8c. [SUPPLEMENTAL ALLOWANCE.] For 1995 and later fiscal years, a district's supplemental allowance equals its initial supplemental allowance minus its supplemental allowance reduction.

Sec. 20. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8d. [SUPPLEMENTAL REVENUE.] A district's supplemental revenue is equal to the district's supplemental allowance times its marginal cost pupil units.

Sec. 21. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8e. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue, for the same year.

Sec. 22. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8f. [SUPPLEMENTAL AID.] A district's supplemental aid equals its supplemental revenue minus its supplemental levy times the ratio of the actual amount levied to the permitted levy.

Sec. 23. Minnesota Statutes 1992, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [DEFINITION FOR SUPPLEMENTAL REVENUE.] (a) The definition in this subdivision applies only to ~~subdivision~~ subdivisions 8 and 8a.

(b) "Minimum allowance" for a district means:

(1) the district's general education revenue for fiscal year 1992, according to subdivision 1; divided by

(2) the district's 1991-1992 actual pupil units.

Sec. 24. [124A.225] [LEARNING AND DEVELOPMENT REVENUE AMOUNT AND USE.]

Subdivision 1. [REVENUE.] Of a district's general education revenue an amount equal to the sum of the number of elementary pupil units defined in section 124.17, subdivision 1, clause (f) and kindergarten pupil units as defined in section 124.17, subdivision 1, clause (e), times .105 for fiscal year 1994 and .114 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section. The revenue must be placed in a learning and development reserved account and may only be used according to this section.

Subd. 2. [INSTRUCTOR DEFINED.] Primary instructor means a public employee licensed by the board of teaching whose duties are full-time instruction, excluding a teacher for whom categorical aids are received pursuant to sections 124.273 and 124.32. Except as provided in section 125.230, subdivision 6, instructor does not include supervisory and support personnel; as defined in section 125.03. An instructor whose duties are less than full-time instruction must be included as an equivalent only for the number of hours of instruction.

Subd. 3. [INSTRUCTION CONTACT TIME.] Instruction may be provided by a primary instructor, by a team of instructors, or by teacher resident supervised by a primary instructor. The district must maximize instructor to learner average instructional contact time.

Subd. 4. [REVENUE USE.] Revenue shall be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17. The district must prioritize the use of the revenue to attain this level initially in kindergarten and then through the subsequent grades as revenue is available. The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in grades 7 through 12 as a result of reducing instructor-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311.

Subd. 5. [ADDITIONAL REVENUE USE.] If the school board of a school district determines that the district has achieved and is maintaining the instructor-learner ratios specified in subdivision 4 and is using individualized learning plans, the school board may use the revenue to purchase material and services or provide staff development needed for reduced instructor-learner ratios. If additional revenue remains, the district must use the revenue to improve program offerings, including programs provided through interactive television, throughout the district or other general education purposes.

Sec. 25. [124A.226] [AID TO REDUCE SECONDARY INSTRUCTOR-PUPIL RATIOS.]

To the extent revenues are available under section 16A.1541, the commissioner shall allocate aid to school districts on a per secondary pupil basis. The aid must be used by districts to reduce instructor-pupil ratios in secondary grades.

Sec. 26. Minnesota Statutes 1992, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises ~~\$916,000,000 for fiscal year 1993 and \$969,800,000 for fiscal year 1994 and \$950,000,000 for fiscal year 1995 and \$1,034,200,000 for fiscal year 1996~~ and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 27. Minnesota Statutes 1992, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] *Except as provided in section 24, general education revenue may be used during the regular school year and the summer for general and special school purposes.*

Sec. 28. Minnesota Statutes 1992, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapters 124 and 124B, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding training and experience revenue and supplemental revenue, for the same school year, according to section 124A.22.

~~However, for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).~~

Sec. 29. Minnesota Statutes 1992, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the ~~estimated~~ net unappropriated ~~operating~~ fund balance in the general, transportation, and food service funds as of June 30 in the prior school year exceeds \$600 21 percent of the formula allowance for the current year times the fund balance pupil units in the prior year. For purposes of this subdivision and section 124.243, subdivision 2, fund balance pupil units means the number of resident pupil units in average daily membership, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess; or

(2) \$150 times the ~~actual~~ *marginal cost* pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 30. Minnesota Statutes 1992, section 273.1398, subdivision 2a, is amended to read:

Subd. 2a. [EDUCATION LEVY REDUCTION.] (a) As used in this subdivision, "equalized levies" means the sum of the maximum amounts that may be levied for:

(1) general education under section 124A.23, subdivision 2;

(2) supplemental revenue under section 124A.23, subdivision 2a;

(3) capital expenditure facilities revenue under section 124.243, subdivision 3;

(4) capital expenditure equipment revenue under section 124.44, subdivision 2; ~~and~~

(5) basic transportation under section 124.226, subdivision 1; *and*

(6) *referendum revenue under section 124A.03.*

(b) By December 1, the commissioner of education shall determine and certify to the commissioner of revenue the amount of the education levy reduction. The reduction shall be equal to the amount by which:

(1) the amount that would have been computed as the district's total maximum levy for property taxes payable in 1990, if the equalized levies had been based upon the district's adjusted gross tax capacity, the general education tax rate had been 29.1 percent, the taconite levy reduction limit according to section 124.918, subdivision 8, had been 10.22 percent of adjusted gross tax capacity, and the capital expenditure equipment and facilities levies had been calculated using 70 percent of the equalizing factor, exceeds

(2) the amount that would have been computed as the district's total maximum levy for property taxes payable in 1990, if the equalized levies had been based upon the district's adjusted net tax capacity, the general education tax rate had been 29.1 percent, the taconite levy reduction limit according to section 124.918, subdivision 8, had been 10.22 percent of adjusted net tax capacity, and the capital expenditure equipment and facilities levies had been calculated using 70 percent of the equalizing factor.

(c) For property taxes payable in 1990, the amount of the education levy

reduction shall be deducted from the homestead and agricultural credit aid payable to each school district under subdivision 2.

Homestead and agricultural credit aid shall not be reduced below zero.

Sec. 31. Minnesota Statutes 1992, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, 124B.03, subdivision 2, or 136C.411, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; ~~and~~

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified; *and*

(7) *the amount required under section 5.*

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold its hearing on the second Tuesday in December each year. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

The county hearing dates and the city and school district hearing dates must be designated on the notices required under subdivision 3. The continuation dates need not be stated on the notices.

This subdivision does not apply to towns and special taxing districts.

Sec. 32, Minnesota Statutes 1992, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1991, must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$19,910~~ \$21,600, 6 percent;
- (2) On all over ~~\$19,910~~ \$21,600, but not over ~~\$79,120~~ \$85,830, 8 percent;
- (3) On all over ~~\$79,120~~ \$85,830, but not over \$100,000, 8.5 percent;
- (4) On all over \$100,000, 9.25 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$43,620~~ \$14,780, 6 percent;
- (2) On all over ~~\$43,620~~ \$14,780, but not over ~~\$44,750~~ \$48,550, 8 percent;

(3) On all over ~~\$44,750~~ \$48,550, but not over \$56,560, 8.5 percent;

(4) On all over \$56,560, 9.25 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, must be computed by applying to taxable net income the following schedule of rates:

(1) On the first ~~\$16,770~~ \$18,190, 6 percent;

(2) On all over ~~\$16,770~~ \$18,190, but not over ~~\$67,390~~ \$73,110, 8 percent;

(3) On all over ~~\$67,390~~ \$73,110, but not over \$85,170, 8.5 percent;

(4) On all over \$85,170, 9.25 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1991, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 33. Minnesota Statutes 1992, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1991~~ 1993, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1990~~ 1992, and before January 1, ~~1992~~ 1994. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as

adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, ~~1991~~ 1992, except that in section 1(f)(3)(B) the word "~~1990~~ 1992" shall be substituted for the word "~~1987~~ 1989." For ~~1991~~ 1994, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1990~~ 1992, to the 12 months ending on August 31, ~~1991~~ 1993, and in each subsequent year, from the 12 months ending on August 31, ~~1990~~ 1992, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 34. [290.0621] [SCHOOL REFERENDUM TAX.]

Subdivision 1. [IMPOSITION.] In addition to all other taxes imposed by this chapter, a tax is imposed on individuals who reside within the territory of a school district in which the voters approved a tax increase at a referendum conducted under section 124A.038 for that purpose in 1995 or a subsequent year. This tax does not apply to referendums on bond issues. Individuals residing in the district on the last day of the taxable year are subject to the tax.

Subd. 2. [RATE.] The commissioner of revenue shall annually determine the rate of the tax imposed under this section as the percentage of taxable income of individuals subject to the tax. The school referendum tax rate is computed as follows:

(1) for each district described in subdivision 1, the discretionary revenue contribution ratio equals the lesser of (i) the ratio of taxable income of individuals residing in the district during the previous taxable year, divided by the actual pupil units, to the discretionary equalizing factor, or (ii) 10/7;

(2) the discretionary revenue equalizing factor equals the amount of taxable income of individuals residing in all districts subject to this section during the previous taxable year, divided by actual pupil units for those districts; or

(3) for each district described in subdivision 1, the school referendum tax rate equals the ratio of (i) the product of the district's total discretionary revenue under section 124A.038, subdivision 1e, times the district's discretionary revenue contribution ratio, to (ii) the taxable income of individuals residing in the district during the previous taxable year.

Subd. 3. [REVENUE DISTRIBUTION.] Revenue raised in subdivision 1 shall be placed in a special account in the general fund. The amount necessary to make payments to school districts under section 11 is annually appropriated from the general fund to the commissioner of education and shall be paid to school districts according to section 124.195. If the amount in the account is less than the amount needed to make the payments, the commissioner shall adjust the discretionary revenue equalizing factor in subdivision 2 the next year by an amount necessary to raise the shortfall.

Sec. 35. Minnesota Statutes 1992, section 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~seven~~ 7.35 percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

Sec. 36. Minnesota Statutes 1992, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction and non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code, and excluding the medical expense deduction;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~1991~~ 1992.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals ~~seven~~ 7.35 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 37. Minnesota Statutes 1992, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) ~~seven~~ 7.35 percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1) of the Internal Revenue Code, less

(v) the deductions provided in clauses (3)(i), (3)(ii), and (3)(iii) of subdivision 2, paragraph (a), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 38. [ESTIMATED TAX; PENALTIES AND INTEREST.]

No addition to tax, penalties, or interest may be imposed under Minnesota Statutes, chapter 289A for an underpayment of estimated tax under Minnesota

Statutes, section 289A.25 to the extent that the underpayment was created or increased by imposition of the increased tax rates under section 32 or 35. This section applies only for periods ending before July 1, 1993.

Sec. 39. [REFERENDUM AUTHORITY.]

Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03, expires July 1, 1995.

Sec. 40. [TAX CREDIT ADJUSTMENT.]

Prior to the computation of homestead and agricultural aid for taxes payable in 1994, the commissioner of revenue shall reduce a school district's homestead and agricultural aid by an amount equal to the homestead and agricultural aid for calendar year 1993 times the ratio of referendum levy certified for 1993 to the certified unequalized levies for 1993.

Sec. 41. [PAYMENT DATES.]

Upon notification from the commissioner of finance of the need to reduce or avoid state short-term borrowing in fiscal year 1995, the commissioner of education shall delay payments due March 15, 1995, or April 15, 1995, under section 124.195, subdivision 3, by up to ten business days.

Sec. 42. [GENERAL EDUCATION REVENUE CORRECTIONS.]

Subdivision 1. [APPROPRIATION.] \$2,045,300 is appropriated in fiscal year 1994 from the general fund to the department of education for payments to special school district No. 1, Minneapolis and independent school district No. 625, St. Paul. Of this amount, \$555,600 is for Minneapolis and \$1,489,000 is for St. Paul. The purpose of these payments is to correct general education revenue for the omission of supplemental contributions to teacher retirement in the change in general education revenue in Laws 1987.

Subd. 2. [LEVY.] The districts may levy in payable 1994 or later an amount not to exceed the aggregate levy authority the districts would have had if supplemental pension contributions have been included.

Subd. 3. [DULUTH RECOMPUTATION.] The department of education shall recompute the base revenue in fiscal year 1988 for supplemental revenue determination for fiscal year 1995 and thereafter for the omission of supplemental pension contributions for independent school district No. 709, Duluth.

Subd. 4. [USE.] The revenue from subdivisions 1 and 2 shall be transferred to the teacher retirement funds of the districts.

Subd. 5. [COMPUTATION.] The department of education, with consultation of the legislative commission on pensions and retirement, shall determine the pension contribution amounts in subdivisions 1 and 3.

Sec. 43. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

\$1,887,549,000 1994

\$2,072,898,000..... 1995

The 1994 appropriation includes \$257,551,000 for 1993 and \$1,629,998,000 for 1994.

The 1995 appropriation includes \$277,863,000 for 1994 and \$1,795,035,000 for 1995.

Sec. 44. [REPEALER.]

(a) Minnesota Statutes 1992, section 124.197, is repealed.

(b) Minnesota Statutes 1992, section 124A.26, subdivision 1a, is repealed effective July 1, 1994.

(c) Laws 1988, chapter 486, section 59, is repealed.

Sec. 45. [EFFECTIVE DATE.]

Sections 32 and 33 and 35 to 38 are effective for taxable years beginning after December 31, 1992.

Sections 1 and 25 are only effective for fiscal year 1994. Sections 7, 8, 9, 10, 17, 19, 20, 21, 22, and 23, are effective for revenue for the 1994-1995 school year. Section 5 is effective the day following final enactment and shall be applicable to all school district debt obligations issued on or after its effective date. Section 16 is effective July 1, 1993, and applies to 1993-1994 and later school years. Sections 11 and 34 are effective for fiscal year 1997. Sections 12 and 29 are effective for revenue for fiscal year 1995 except for the change in marginal cost pupil units which is effective for fiscal year 1994. Section 30 is effective for taxes payable in 1994. A provision of this article that changes the term "actual pupil unit" to "marginal cost pupil unit" is effective in fiscal year 1994.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1992, section 120.062, subdivision 9, is amended to read:

Subd. 9. [TRANSPORTATION.] (a) If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under this section:

(1) a nonresident district may transport a pupil within the pupil's resident district under this section only with the approval of the resident district; and

(2) a parent or guardian of a pupil attending a nonresident district under this section may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

(b) Notwithstanding paragraph (a) and section 124.225, subdivision 8l, transportation provided by a nonresident district between home and school for a pupil attending school under this section is authorized for nonregular transportation revenue under section 124.225, if the following criteria are met:

(1) the school that the pupil was attending prior to enrolling in the nonresident district under this section was closed;

(2) the distance from the closed school to the next nearest school in the district that the student could attend is at least 20 miles;

(3) the pupil's residence is at least 20 miles from any school that the pupil could attend in the resident district; and

(4) the pupil's residence is closer to the school of attendance in the nonresident district than to any school the pupil could attend in the resident district.

Sec. 2. Minnesota Statutes 1992, section 123.39, is amended by adding a subdivision to read:

Subd. 15. [PUPIL TRANSPORT ON STAFF DEVELOPMENT DAYS.] A school district may provide bus transportation between home and school for pupils on days devoted to parent-teacher conferences, teacher's workshops, or other staff development opportunities. If approved by the commissioner as part of a program of educational improvement, the cost of providing this transportation, as determined by generally accepted accounting principles, must be considered part of the authorized cost for regular transportation for the purposes of section 124.225. The commissioner shall approve inclusion of these costs in the regular transportation category only if the total number of instructional hours in the school year divided by the total number of days for which transportation is provided equals or exceeds the number of instructional hours per day prescribed in the rules of the state board.

Sec. 3. Minnesota Statutes 1992, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a ~~transported~~ full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, paragraph (c), which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(e) "Current year" means the school year for which aid will be paid.

(f) "Base year" means the second school year preceding the school year for which aid will be paid.

(g) "Base cost" means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in paragraph (b) plus the actual cost in the base year for excess transportation as defined in paragraph (c);

(2) to the sum of the number of weighted ~~FTE pupils transported~~ FTE's in the regular and excess categories in the base year.

(h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of ~~FTE pupils transported~~ FTE's in the regular and excess categories in the base year.

(2) Raise the result in clause (1) to the one-fifth power.

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) Multiply the district's sparsity index by 20.

(2) Select the lesser of one or the result in clause (1).

(3) Multiply the district's percentage of regular FTE's transported in the current year using vehicles that are not owned by the school district by the result in clause (2).

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 4. Minnesota Statutes 1992, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base cost equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is \$424 \$447 for the 1989-1990 1991-1992 base year and \$434 \$463 for the 1990-1991 1992-1993 base year.

(b) Multiply the result in paragraph (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in paragraph (b) by the district's contract transportation index raised to the $1/20$ power.

Sec. 5. Minnesota Statutes 1992, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by ~~4.0~~ 2.7 percent to determine the district's regular transportation allowance for the ~~1991-1992~~ 1993-1994 school year and by ~~2.0~~ 3.4 percent to determine the district's regular transportation allowance for the ~~1992-1993~~ 1994-1995 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t).

Sec. 6. Minnesota Statutes 1992, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. [TRANSPORTATION REVENUE.] Transportation revenue for each district equals the sum of the district's regular transportation revenue ~~and, the district's nonregular transportation revenue, and the district's excess transportation revenue.~~

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular, desegregation, and handicapped categories in the current school year.

(b) The nonregular transportation revenue for each district for the 1991-1992 school year equals the lesser of the district's actual costs in the 1991-1992 school year for nonregular transportation services or the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (e), times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.03, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the 1991-1992 school year according to subdivision 7e.

(e) For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, times the nonregular transportation inflation factor for the current year, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the current year according to subdivision 7e. The nonregular transportation inflation factor is 1.047 for the ~~1992-1993~~ 1993-1994 school year is 1.061 and 1.034 for the 1994-1995 school year.

(c) For 1994-1995 and later school years, the excess transportation revenue for each school district equals the result of the following computation:

(1) multiply the lesser of (i) the regular transportation allowance for the current school year or (ii) the base cost for the current school year, by the number of weighted FTE's in the excess category in the district in the current school year;

(2) add to the result in clause (1) the actual cost in the current school year of other related services that are necessary because of extraordinary traffic hazards.

Sec. 7. Minnesota Statutes 1992, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] (a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.

(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times 1.30, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.

(c) The state total excess nonregular transportation revenue must not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit set in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).

Sec. 8. Minnesota Statutes 1992, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [TRANSPORTATION AID.] (a) A district's transportation aid for a school year equals the product of:

(1) the difference between the transportation revenue and the sum of:

(i) the maximum basic transportation levy for that school year under section 275.125, subdivision 5, plus

(ii) the maximum nonregular transportation levy for that school year under section 124.226, subdivision 4, plus

(iii) the maximum excess transportation levy for that school year under section 124.226, subdivision 5,

(iv) the contracted services aid reduction under subdivision 8k,

(2) times the ratio of the sum of the actual amounts levied under section 124.226, subdivisions 1 and 4, and 5, to the sum of the permitted maximum levies under section 124.226, subdivisions 1 and 4, and 5.

(b) If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the transportation levy of off-formula districts in the same proportion.

Sec. 9. Minnesota Statutes 1992, section 124.226, subdivision 3, is amended to read:

Subd. 3. [OFF-FORMULA ADJUSTMENT.] In a district if the basic transportation levy under subdivision 1 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 4 and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the difference between the amount of the excess and the amount of the aid reduction for the same fiscal year according to subdivision 3a.

Sec. 10. Minnesota Statutes 1992, section 124.226, is amended by adding a subdivision to read:

Subd. 3a. [TRANSPORTATION LEVY EQUITY.] (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, the district's maximum excess transportation levy under subdivision 5, the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) *The amount of the deduction in any fiscal year must not exceed the amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.*

Sec. 11. Minnesota Statutes 1992, section 124.226, subdivision 5, is amended to read:

Subd. 5. [EXCESS TRANSPORTATION.] A school district may make a levy for excess transportation costs according to this subdivision. ~~The amount of the levy shall be the result of the following computation:~~

(a) ~~Multiply the lesser of (1) the regular transportation allowance for the fiscal year to which the levy is attributable, or (2) the base cost for the fiscal year to which the levy is attributable, by the number of weighted FTE pupils transported in the excess category in the district in the current school year.~~

(b) ~~Add to the result in paragraph (a) the actual cost in the fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic, drug, or crime hazards. The excess transportation levy equals the district's excess transportation revenue as defined in section 124.225, subdivision 7d, multiplied by the lesser of one, or the ratio of (i) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified, by the average daily membership in the district for the school year to which the levy is attributable, to (ii) \$3,500.~~

Sec. 12. Minnesota Statutes 1992, section 124.226, subdivision 9, is amended to read:

Subd. 9. [LATE ACTIVITY BUSES.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the district's regular transportation revenue for that school year according to section 124.225, subdivision 7d, paragraph (a).

(b) A district that levies under this section must provide late transportation home from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

(c) ~~A district may levy under this subdivision only if the district provided late transportation home from school during fiscal year 1991.~~

Sec. 13. Laws 1991, chapter 265, article 2, section 19, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$116,340,000 1992

\$123,133,000 1993

The 1992 appropriation includes \$17,679,000 for 1991 and \$98,661,000 for 1992.

The 1993 appropriation includes \$17,146,000 for 1992 and \$105,987,000 for 1993.

~~\$1,500,000~~ \$2,000,000 in fiscal year 1992 and ~~\$1,000,000~~ \$500,000 in fiscal year 1993 are for desegregation costs not funded in the regular or nonregular transportation formulas. The department shall allocate these amounts in proportion to the unfunded desegregation costs. Any excess of the 1992 amount is not available for transfer under Minnesota Statutes, section 124.14, subdivision 7 and is available for unfunded desegregation costs in 1993.

For purposes of this subdivision, for fiscal year 1992 "desegregation costs" means all expenditures for desegregation transportation as defined in Minnesota Statutes, section 124.225, subdivision 1, paragraph (d), clause (4), for which aid is authorized in Minnesota Statutes, section 124.223, plus an amount equal to one year's depreciation, computed according to Minnesota Statutes, section 124.225, subdivision 1, paragraph (b), clauses (2), (3), and (4), on district school buses used primarily for desegregation transportation.

Sec. 14. [ADDITIONAL LATE ACTIVITY LEVY.]

A school district that is eligible to certify a levy under section 12 and was not eligible to certify a levy under Minnesota Statutes 1992, section 124.226, subdivision 9, may certify an additional amount in 1993 for taxes payable in 1994 equal to the amount it would have been authorized to certify in 1992 for taxes payable in 1993 had it been eligible. A levy authorized under this section must be recognized according to section 124.918, subdivision 6.

Sec. 15. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$128,351,900 1994

\$143,346,400 1995

The 1994 appropriation includes \$18,327,000 for 1993 and \$110,024,900 for 1994.

The 1995 appropriation includes \$19,416,100 for 1994 and \$123,930,300 for 1995.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514:

\$52,000 1994

\$58,000 1995

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.]

For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621:

\$15,000 1994

\$19,000 1995

Subd. 5. [TRANSFER AUTHORITY.] If the appropriation in subdivision 3 or 4 for either year exceeds the amount needed to pay the state's obligation for that year under that subdivision, the excess amount may be used to make payments for that year under the other subdivision.

Sec. 16. [EFFECTIVE DATE.]

Sections 6, 8, 9, and 10 are effective July 1, 1994. Section 13 is effective for fiscal years 1992 and 1993. Sections 12 and 14 are effective for levies certified in 1993 for taxes payable in 1994.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] (a) Special instruction and services for children with a disability must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

(1) in connection with attending regular elementary and secondary school classes;

(2) establishment of special classes;

(3) at the home or bedside of the child;

(4) in other districts;

(5) instruction and services by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the child with a disability belongs;

(6) in a state residential school or a school department of a state institution approved by the commissioner;

(7) in other states;

(8) by contracting with public, private or voluntary agencies;

(9) for children under age five and their families, programs and services established through collaborative efforts with other agencies;

(10) for children under age five and their families, programs in which children with a disability are served with children without a disability; and

(11) any other method approved by the commissioner.

(b) Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver, or both, present.

(c) The primary responsibility for the education of a child with a disability shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. *If a district other than a child's district of residence provides special instruction and services to the child, then the district providing the special instruction and services shall notify the child's district of residence before the child's individual education plan is developed and shall provide the district of residence an opportunity to participate in the plan's development.* The district of residence must inform the parents of the child about the methods of instruction that are available.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, United States Code, title 20, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

- (1) the results obtained from the assessment required under paragraph (f);
- (2) how Braille will be implemented through integration with other classroom activities;

- (3) the date on which Braille instruction will begin;
- (4) the length of the period of instruction and the frequency and duration of each instructional session;
- (5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and
- (6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:

- (i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

- (ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

- (i) Instruction in Braille reading and writing is a service for the purpose of special education and services under this section.

- (j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. Minnesota Statutes 1992, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of children with a disability. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of children with a disability. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. *These rules are binding on state and local education, health, and human services agencies.* The state board shall adopt rules to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 3. Minnesota Statutes 1992, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least ~~15 members~~ ¹⁷, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner

of education may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, ~~three~~ *five* representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by June 1, the council shall recommend to the governor and the commissioners of education, health, human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Sec. 4. Minnesota Statutes 1992, section 120.17, subdivision 11b, is amended to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL DISTRICTS BOARDS.] It is the joint responsibility of county boards and school ~~districts boards~~ to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 120.03 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. *The services provided must be in conformity with an individual family service plan (IFSP) as defined in code of federal regulations, title 34, sections 303.340, 303.341a, and 303.344 for each eligible infant and toddler from birth through age two and its family, or an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four. County boards and school boards shall not be required to provide any services under an individual family service plan that are not required in an individual education plan or individual service plan.* Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, *special instruction*, case management including *service coordination*, medical services for diagnostic

and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services. ~~School districts must be the primary agency in this cooperative effort.~~ *County and school boards shall jointly determine the primary agency in this cooperative effort and must notify the commissioner of education of their decision.*

Sec. 5. Minnesota Statutes 1992, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEE COMMITTEES.] *(a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for children with a disability disabilities under age five and their families. Members of the committee Committees shall be include representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; parents of young children with disabilities under age twelve; current service providers; parents of young children with a disability; and may also include representatives from other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly.*

(b) The committee shall perform develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) identify current services and funding being provided within the community for children with a disability under the age of five and their families develop public awareness systems designed to inform potential recipient families of available programs and services;

(2) implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate (4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with a disability under the age of five disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies. Agencies are encouraged to develop individual family service plans for children with disabilities, age three and older;

(4) (5) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(5) review and comment on the early intervention section of the total special education system for the district and the county social services plan; and

(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services-;

(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families; and

(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313).

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families;

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan; the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs; and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities; and

(3) prepare a yearly summary on the progress of the community in serving young children with disabilities, and their families, including the expenditure of funds, the identification of unmet service needs identified on the individual family services plan and other individualized plans, and local, state, and federal policies impeding the implementation of this section.

(d) The summary must be organized following a format prescribed by the commissioner of education and must be submitted to each of the local agencies and to the state interagency coordinating council by October 1 of each year.

The departments of education, health, and human services are encouraged to must provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 6. Minnesota Statutes 1992, section 120.17, subdivision 14, is amended to read:

Subd. 14. [MAINTENANCE OF EFFORT.] A county human services agency or county board shall continue to provide services set forth in their county social service agency plan for. ~~The county human services agency or county board shall serve children with a disability disabilities~~ under age five, and their families, or as specified in the individualized family service plan for children with disabilities, birth through age two, or the individual service plan of each child. Special instruction and related services for which a child with a disability is eligible under this section ~~are not~~ are the responsibility of the local human services agency or county school board. It is the joint responsibility of county boards and school districts boards to coordinate, provide, and pay for all appropriate services not required under this section in subdivision 11b and to facilitate payment for services from public and private sources. ~~School districts and counties are encouraged to enter into agreements to cooperatively serve and provide funding for children with a disability under age five and their families.~~

Sec. 7. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 14a. [LOCAL INTERAGENCY AGREEMENTS.] School boards and the county board may enter into agreements to cooperatively serve and provide funding for children with disabilities, under age five, and their families within a specified geographic area.

The local interagency agreement must address, at a minimum, the following issues:

(1) responsibilities of local agencies on local interagency early intervention committees (IEIC's), consistent with subdivision 12;

(2) assignment of financial responsibility for early intervention services;

(3) methods to resolve intra-agency and interagency disputes;

(4) identification of current resources and recommendations about the allocation of additional state and federal early intervention funds under the auspices of United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United State Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313);

(5) data collection; and

(6) other components of the local early intervention system consistent with Public Law Number 102-119.

Sec. 8. Minnesota Statutes 1992, section 120.17, subdivision 15, is amended to read:

Subd. 15. [THIRD PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family.

Sec. 9. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 18. [STATE INTERAGENCY AGREEMENT.] (a) The commissioners of the departments of education, health, and human services shall enter into an agreement to implement this section and Part H, Public Law Number 102-119, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families. The agreement must be reviewed annually.

(b) The state interagency agreement shall outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H, Public Law Number 102-119, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

- (5) *fiscal responsibilities of the state and local agencies;*
- (6) *intra-agency and interagency dispute resolution;*
- (7) *payor of last resort;*
- (8) *maintenance of effort;*
- (9) *procedural safeguards, including mediation;*
- (10) *complaint resolution;*
- (11) *quality assurance;*
- (12) *data collection; and*
- (13) *other components of the state and local early intervention system consistent with Public Law Number 102-119.*

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 10. Minnesota Statutes 1992, section 124.245, subdivision 6, is amended to read:

Subd. 6. [ALTERNATIVE ATTENDANCE PROGRAMS.] The capital expenditure facilities aid under section 124.243 and the capital expenditure equipment aid under section 124.244 for districts must be adjusted for each pupil, ~~excluding a pupil with a disability as defined in section 120.03,~~ attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 124C.45 to 124C.48, and 126.22. The adjustments must be made according to this subdivision.

(a) Aid paid to a district of the pupil's residence must be reduced by an amount equal to the revenue amount per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in nonresident districts.

(b) Aid paid to a district serving nonresidents must be increased by an amount equal to the revenue amount per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in the district.

(c) If the amount of the reduction to be made from the aid of a district is greater than the amount of aid otherwise due the district, the excess reduction must be made from other state aids due the district.

Sec. 11. Minnesota Statutes 1992, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay a school district a portion of the salary of one full-time equivalent teacher for each 45 40 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary of one-half of a full-time equivalent teacher to a district with 22 20 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time teacher shall be the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to

full-time employment. *For the purposes of this subdivision, a teacher includes nonlicensed personnel who provide direct instruction to students of limited English proficiency under the supervision of a licensed teacher.*

Sec. 12. Minnesota Statutes 1992, section 124.273, is amended by adding a subdivision to read:

Subd. 2c. [SUPPLY AND EQUIPMENT AID.] Each year the state shall pay a school district for supplies and equipment purchased or rented for use in the instruction of pupils of limited English proficiency an amount equal to 47 percent of the sum actually spent by the district but not to exceed an average of \$47 in any one school year for each pupil of limited English proficiency receiving instruction.

Sec. 13. Minnesota Statutes 1992, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] (a) Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for children with a disability during the regular school year, whether the person is employed by one or more districts. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan.

(b) For the 1991-1992 school year, the portion for a full-time person shall be an amount not to exceed the lesser of 56.4 percent of the salary or \$15,700. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 56.4 percent of the salary or the product of \$15,700 times the ratio of the person's actual employment to full-time employment.

(c) For the 1992-1993 school year and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is an amount not to exceed the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 14. Minnesota Statutes 1992, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. [CONTRACT SERVICES.] For special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, the state shall pay each district 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the amount of time fraction of the school day the pupil receives services under the contract. For special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, the state shall pay each district 52 percent of the amount of the contract for that pupil.

Sec. 15. Minnesota Statutes 1992, section 124.32, is amended by adding a subdivision to read:

Subd. 1f. [ESSENTIAL PERSONNEL.] For the purposes of this section

and section 124.321, essential personnel means teachers, related services and support services staff providing direct services to students.

Sec. 16. Minnesota Statutes 1992, section 124.32, is amended by adding a subdivision to read:

Subd. 12. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.]

For purposes of this section, a special education cooperative or an intermediate district shall allocate its approved expenditures for special education programs among participating school districts. A cooperative or an intermediate district shall allocate its special education aid for fiscal year 1994 among participating school districts.

Sec. 17. Minnesota Statutes 1992, section 124.321, subdivision 1, is amended to read:

Subdivision 1. [LEVY EQUALIZATION REVENUE.] Special education levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

(1) ~~66~~ 68 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) ~~66~~ 68 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) ~~64~~ 68 percent of the salaries paid to limited English proficiency program teachers in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable, plus

(4) the alternative delivery levy revenue determined according to section ~~124.321~~ 124.322, subdivision 4, plus

(5) the amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to subdivision 2.

A district that receives alternative delivery levy revenue according to section 124.322, subdivision 4, shall not receive levy equalization revenue under clause (1) or subdivision 2, clause (1), for the same fiscal year.

Sec. 18. Minnesota Statutes 1992, section 124.321, subdivision 2, is amended to read:

Subd. 2. [REVENUE ALLOCATION FROM COOPERATIVES AND INTERMEDIATE DISTRICTS.] (a) For purposes of this section, a special education cooperative or an intermediate district shall allocate to participating school districts the sum of the following amounts:

(1) ~~66~~ 68 percent of the salaries paid to essential personnel in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) ~~66~~ 68 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) ~~64~~ 68 percent of the salaries paid to limited English proficiency program teachers in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable.

(b) A special education cooperative or an intermediate district that allocates amounts to participating school districts under this subdivision must report the amounts allocated to the department of education.

(c) For purposes of this subdivision, the Minnesota state academy for the deaf or the Minnesota state academy for the blind each year shall allocate an amount equal to ~~66~~ 68 percent of salaries paid to instructional aides in either academy minus the amount of state aid and any federal aid, if applicable, paid to either academy for salaries of these instructional aides under sections 124.32, subdivisions 1b and 10, for the year to each school district that assigns a child with an individual education plan requiring an instructional aide to attend either academy. The school districts that assign a child who requires an instructional aide may make a levy in the amount of the costs allocated to them by either academy.

(d) When the Minnesota state academy for the deaf or the Minnesota state academy for the blind allocates unreimbursed portions of salaries of instructional aides among school districts that assign a child who requires an instructional aide, for purposes of the districts making a levy under this subdivision, the academy shall provide information to the department of education on the amount of unreimbursed costs of salaries it allocated to the school districts that assign a child who requires an instructional aide.

Sec. 19. Minnesota Statutes 1992, section 124.322, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) "Base revenue" means the following:

(1) for the first fiscal year after approval of the district's application, base revenue means the sum of the district's revenue for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, and 124.321, subdivision 1;

(2) for the second fiscal year after approval of a district's application, base revenue means the sum of the district's revenue for the second prior fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, and 124.321, subdivision 1; and

(3) for the third fiscal year after approval of a district's application, and thereafter, base revenue means the sum of the revenue a district would have been entitled to in the second prior fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, and 124.321, subdivision 1, based on activities defined as reimbursable under state board rules for special education and nonspecial education students,

and additional activities as detailed and approved by the commissioner of education.

(b) "Base aid" means the following:

(1) for the first fiscal year after approval of a district's application, base aid means the sum of the district's gross aid for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10;

(2) for the second fiscal year after approval of a district's application, base aid means the sum of the district's gross aid for the second prior fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10; and

(3) for the third fiscal year after approval of a district's application and thereafter, base aid means the sum of the gross aid the district would have been entitled to in the second prior fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, based on activities defined as reimbursable under state board of education rules for special education and nonspecial education students, and additional activities as detailed and approved by the commissioner of education in the application plan.

(c) Notwithstanding paragraphs (a) and (b), base revenue and base aid for 1995 and later fiscal years must not include revenue and aid under section 124.32, subdivision 5.

(d) "Alternative delivery revenue inflator" means:

(1) for the first fiscal year after approval of a district's application, the greater of 1.017 or the ratio of (i) the statewide average special education revenue under Minnesota Statutes, sections 124.32 and 124.321, per pupil in average daily membership for the current fiscal year, to (ii) the statewide average special education revenue per pupil in average daily membership for the previous fiscal year;

(2) for the second and later fiscal years, the greater of 1.034 or the ratio of (i) the statewide average special education revenue under Minnesota Statutes, sections 124.32 and 124.321, per pupil in average daily membership for the current fiscal year, to (ii) the statewide average special education revenue per pupil in average daily membership for the second prior fiscal year.

(e) The commissioner of education shall adjust each district's base revenue and base aid to reflect any changes in special education services or revenue required by rule or statute.

Sec. 20. Minnesota Statutes 1992, section 124.322, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF ALTERNATIVE DELIVERY REVENUE.] For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 2, 5, and 10; and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 124.321, subdivisions 1 and 2, as applicable, district's alternative delivery revenue equals its base revenue multiplied by 1.03 the product of the alternative delivery revenue inflator times the ratio of the district's average

daily membership for the current fiscal year to the district's average daily membership for the immediately preceding fiscal year. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03. For the second and later fiscal years a district's alternative delivery revenue equals its base revenue multiplied by the product of the alternative delivery revenue inflator times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the second preceding fiscal year.

Sec. 21. Minnesota Statutes 1992, section 124.322, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE DELIVERY AID.] For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, district's alternative delivery aid equals its base aid multiplied by 1.03 the product of 1.017 times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the preceding fiscal year. For the second and later fiscal years a district's alternative delivery aid equals its base aid multiplied by the product of 1.034 times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the second preceding fiscal year. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, for the same fiscal year.

Sec. 22. Minnesota Statutes 1992, section 124.322, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE DELIVERY LEVY REVENUE.] A district shall receive alternative delivery levy revenue equal to the difference between the alternative delivery revenue and the alternative delivery aid. If the alternative delivery aid for a district is prorated for the second or third fiscal years, the alternative delivery levy revenue shall be increased by the amount not paid by the state due to proration. For fiscal year 1993 and thereafter, The alternative delivery levy revenue shall be included under section 124.321, subdivision 1, for purposes of computing the special education levy under section 124.321, subdivision 3, and the special education levy equalization aid under section 124.321, subdivision 4.

Sec. 23. [124.323] [SPECIAL EDUCATION EXCESS COST AID.]

Subdivision 1. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, and equipment eligible for revenue under sections 124.32, subdivisions 1b, 1d, 2, and 10, and 124.322, subdivision 2; plus

(2) expenditures for tuition bills received under section 120.17; minus

(3) revenue for teachers' salaries, contracted services, supplies, and

equipment under sections 124.32, subdivisions 1b, 1d, 2, and 10; 124.321, subdivision 1, clause (1); and 124.322, subdivision 2; minus

(4) tuition receipts under section 120.17.

(b) "general revenue" means the sum of the general education revenue according to section 124A.22, subdivision 1, plus the total referendum revenue according to section 124A.03, subdivision 1e.

Subdivision 2. [EXCESS COST AID.] For 1995 and later fiscal years, a district's special education excess cost aid equals the product of:

(1) 70 percent of the difference between (i) the district's unreimbursed special education cost per actual pupil unit and (ii) six percent of the district's general revenue per actual pupil unit, times

(2) the district's actual pupil units for that year.

Sec. 24. Minnesota Statutes 1992, section 124A.036, subdivision 5, is amended to read:

Subd. 5. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general education aid for districts must be adjusted for each pupil, excluding a pupil with a disability as defined in section 120.03 or a pupil without a disability as defined by section 120.181, attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 124C.45 to 124C.48, and 126.22. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence shall pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 120.03, or a pupil, as defined in section 120.181, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of general education aid, the amount of capital expenditure facilities aid and capital expenditure equipment aid received under section 124.245, subdivision 6, and special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by an educational cooperative service unit, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for pupils rather than to calculate general education aid adjustments under

paragraph (a), (b), or (c). The tuition must be equal to the greater of the average general education revenue per pupil unit attributable to the pupil, or the actual cost of providing the instruction, excluding transportation costs, if the pupil meets the requirements of section 120.03 or 120.181.

Sec. 25. Minnesota Statutes 1992, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] A district's ~~or cooperative center's~~ ~~"secondary vocational aid"~~ for secondary vocational education programs ~~aid~~ for a fiscal year equals the ~~sum of the following amounts for each program~~ *lesser of*:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that program; and

(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and \$80 times the district's average daily membership in grades 10 to 12; or

(b) 40 25 percent of approved expenditures for the following:

(1) *salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs;*

(2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;

(2) (3) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) (4) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) (5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) (6) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) (7) specialized vocational instructional supplies.

Sec. 26. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2e. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.] *For purposes of subdivision 2b, paragraph (b) and subdivision 2f, paragraph (b), a cooperative center or an intermediate district shall allocate its approved expenditures for secondary vocational education programs among participating school districts. For purposes of subdivision 2f, paragraph (a), a cooperative center or an intermediate district shall allocate its secondary vocational education aid for fiscal year 1994 among participating school districts.*

Sec. 27. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2f. [AID GUARANTEE.] Notwithstanding subdivision 2b, the secondary vocational education aid for a school district is not less than the lesser of:

(a) 95 percent of the secondary vocational education aid the district received for the previous fiscal year; or

(b) 40 percent of the approved expenditures for secondary vocational programs included in subdivision 2b, paragraph (b).

Sec. 28, Minnesota Statutes 1992, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board of education. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center area to qualify for this aid. *The rules must not require the collection of data at the program or course level to calculate secondary vocational aid.* The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board of education shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board of education. Licensed personnel means persons holding a valid secondary vocational license issued by the department of education, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the department of education or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 29, Minnesota Statutes 1992, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] (a) Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person who provides direct instructional services to students, employed during that fiscal year for services rendered in that district or center's secondary vocational education programs for children with a disability.

(a) For fiscal year 1992, the portion for a full-time person shall be an amount not to exceed the lesser of 56.4 percent of the salary or \$15,700. The portion for a part-time or limited-time person shall be the lesser of 56.4 percent of the salary or the product of \$15,700 times the ratio of the person's actual employment to full-time employment.

(b) For fiscal year 1993 and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 30. Minnesota Statutes 1992, section 128B.10, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION.] This chapter is repealed July 1, ~~1993~~ 1995.

Sec. 31. [COST STUDY.]

The commissioner of education shall contract with an independent consultant outside of state or local government for a study of the short- and long-term fiscal impact to state and local governments of providing a comprehensive and coordinated system of services to infants and young children with disabilities, from birth to age two, and their families under United States Code, title 20, sections 1471 through 1485. The commissioner shall submit a report on the results of the study to the education committees of the legislature by January 15, 1994. At a minimum, the study shall include an estimate of the number of infants and young children from birth to age two eligible for services through the year 2000; the estimated average cost for services per eligible child and the child's family; the anticipated total additional annual cost to state and local governments through the year 2000 of fully implementing Year 5 services; the anticipated amount of additional federal early intervention funds available to the state under United States Code, title 20, section 1471 et. seq., and United States Code, title 20, section 631 et seq.; and an inventory of current expenditures by county boards, school boards, and other local services providers for services provided under section 120.17, subdivision 11b, including social work, nursing, nutrition, vision, and transportation services, assistive technology, parent-to-parent support, and respite care. The cost of the contract shall not exceed \$75,000 and shall be paid for from revenue received from federal grants for regular special education central administration and state initiated discretionary projects.

Sec. 32. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] *The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.*

Subd. 2. [SPECIAL EDUCATION AID.] *For special education aid according to Minnesota Statutes, section 124.32:*

\$186,202,000 1994

\$188,194,000 1995

The 1994 appropriation includes \$25,087,000 for 1993 and \$161,115,000 for 1994.

The 1995 appropriation includes \$28,432,000 for 1994 and \$159,762,000 for 1995.

Subd. 3. [SPECIAL PUPIL AID.] For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$318,000 1994

\$337,000 1995

If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:

\$4,472,000 1994

\$4,530,000 1995

The 1994 appropriation is for 1993 summer programs.

The 1995 appropriation is for 1994 summer programs.

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

\$124,000 1994

\$159,000 1995

The 1994 appropriation includes \$10,000 for 1993 and \$114,000 for 1994.

The 1995 appropriation includes \$19,000 for 1994 and \$140,000 for 1995.

Subd. 6. [RESIDENTIAL FACILITIES AID.] For residential facilities aid under aid according to Minnesota Statutes, section 124.32, subdivision 5:

\$2,616,000 1994

\$, -0-, 1995

Subd. 7. [SPECIAL EDUCATION EXCESS COST AID.] For excess cost aid according to section 23:

\$, -0-, 1994

\$5,555,000 1995

The 1995 appropriation includes \$0 for 1994 and \$5,555,000 for 1995.

Subd. 8. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$5,529,000 1994

\$6,228,000 1995

The 1994 appropriation includes \$600,000 for 1993 and \$4,929,000 for 1994.

The 1995 appropriation includes \$870,000 for 1994 and \$5,358,000 for 1995.

\$106,000 in fiscal year 1994 and \$124,000 in fiscal year 1995 are for supplies and equipment for limited English proficiency instruction according to section 12.

Subd. 9. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000 1994

\$857,000 1995.

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$591,000 1994

\$591,000 1995

The 1994 appropriation includes \$88,000 for 1993 and \$503,000 for 1994.

The 1995 appropriation includes \$88,000 for 1994 and \$503,000 for 1995.

Any balance in the first year does not cancel but is available in the second year.

Subd. 11. [SECONDARY VOCATIONAL; STUDENTS WITH DISABILITIES.] For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,015,000 1994

\$3,933,000 1995

The 1994 appropriation includes \$684,000 for 1993 and \$3,331,000 for 1994.

The 1995 appropriation includes \$588,000 for 1994 and \$3,345,000 for 1995.

Subd. 12. [ASSURANCE OF MASTERY.] For assurance of mastery aid according to Minnesota Statutes, section 124.311:

\$12,949,000 1994

\$13,078,000 1995

The 1994 appropriation includes \$1,904,000 for 1993 and \$11,045,000 for 1994.

The 1995 appropriation includes \$1,948,000 for 1994 and \$11,130,000 for 1995.

Subd. 13. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.] For individualized learning and development aid according to Minnesota Statutes, section 124.331:

\$2,485,000 1994

The 1994 appropriation includes \$2,485,000 for 1993.

Subd. 14. [SPECIAL PROGRAMS EQUALIZATION AID.] For special education levy equalization aid according to Minnesota Statutes, section 124.321:

\$14,210,000 1994

\$16,867,000 1995

The 1994 appropriation includes \$1,626,000 for 1993 and \$12,584,000 for 1994.

The 1995 appropriation includes \$2,221,000 for 1994 and \$14,646,000 for 1995.

Subd. 15. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:

\$1,600,000 1994

\$1,600,000 1995

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Subd. 16. [AMERICAN INDIAN EDUCATION.] (a) For certain American Indian education programs in school districts:

\$175,000 1994

\$175,000 1995

The 1994 appropriation includes \$26,000 for 1993 and \$149,000 for 1994.

The 1994 appropriation includes \$26,000 for 1994 and \$149,000 for 1995.

(b) These appropriations are available for expenditure with the approval of the commissioner of the department of education.

(c) The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

(d) Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts must be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

(e) Before a district or school can receive money under this subdivision, the district or school must submit, to the commissioner, evidence that it has

complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.

Subd. 17. [INDIAN TEACHER PREPARATION GRANTS.] *(a) For joint grants to assist Indian people to become teachers:*

\$190,000 1994

\$190,000 1995

(b) Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

(c) Up to \$40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and the Red Lake school district;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college and the Minneapolis school district.

(d) Money not used for students at one location may be transferred for use at another location.

(e) Any unexpended balance remaining the first year does not cancel but is available in the second year.

Subd. 18. [TRIBAL CONTRACT SCHOOLS.] *For tribal contract school aid according to Minnesota Statutes, section 124.86:*

\$506,000 1994

\$540,000 1995

The 1994 appropriation includes \$0 for 1993 and \$506,000 for 1994.

The 1995 appropriation includes \$89,000 for 1994 and \$451,000 for 1995.

Subd. 19. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.] *For early childhood family education programs at tribal contract schools:*

\$68,000 1994

\$68,000 1995

Subd. 20. [SECONDARY VOCATIONAL EDUCATION AID.] *For secondary vocational education aid according to Minnesota Statutes, section 124.573:*

\$12,079,000 1994

\$13,099,000 1995

The 1994 appropriation includes \$1,811,000 for 1993 and \$10,268,000 for 1994.

The 1995 appropriation includes \$1,811,000 for 1994 and \$11,288,000 for 1995.

Sec. 33. [REPEALER.]

Minnesota Statutes 1992, sections 124.32, subdivision 5; 124.331;

124.332; 124.333; and 124.573, subdivisions 2c and 2d, are repealed effective July 1, 1994.

Sec. 34. [EFFECTIVE DATE.]

Sections 10 and 24 are effective beginning with the 1992-1993 school year. Sections 25, 26, and 27 are effective July 1, 1994.

ARTICLE 4

COMMUNITY PROGRAMS

Section 1. Minnesota Statutes 1992, section 3.873, subdivision 4, is amended to read:

Subd. 4. [STAFF.] *The legislative coordinating commission shall supply the commission with the necessary staff, office space, and administrative services. The commission may use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.*

Sec. 2. Minnesota Statutes 1992, section 3.873, subdivision 5, is amended to read:

Subd. 5. [INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.] (a) *The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.*

(b) *The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.*

(c) *Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.*

(d) *By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).*

(e) *To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor shall meet with the children's cabinet, which includes the commissioners of the departments of education, health, transportation, human services, jobs and training, corrections, administration, public safety, finance, and housing finance, or their designees, and the director of the office of strategic and long-range planning, or the director's designee, to report on and recommend improvements in plans and initiatives affecting children, youth, and their families.*

Sec. 3. Minnesota Statutes 1992, section 3.873, subdivision 6, is amended to read:

Subd. 6. [LEGISLATIVE REPORTS AND RECOMMENDATIONS.] The commission shall make recommendations to the legislature to implement combining education, and health and human services and related support services provided to children and their families by the departments of education, human services, health and other state agencies into a single state department of children and families to provide more effective and efficient services. The commission also shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within the commission's jurisdiction and shall provide the legislature with its analysis and recommendations. ~~Any analysis and recommendations must integrate recommendations for the design of an education service delivery system under Laws 1991, chapter 265, article 6, section 64.~~ The commission shall report its final recommendations under this subdivision and subdivision 7, paragraph (a), by January 1, 1993 1994. The commission shall submit a *an annual progress report by January 1, 1992 of each year.*

Sec. 4. Minnesota Statutes 1992, section 3.873, subdivision 7, is amended to read:

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision. *To the extent possible, the commission shall consult with knowledgeable individuals in communities throughout the state when developing recommendations or preparing reports on these matters.*

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services. *The commission shall consider and recommend how to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated, and family-oriented delivery systems focused on prevention services. The commission shall review and evaluate what impact the classification of data has on service providers' ability to anticipate and meet the full range of families' needs. The commission shall report on any laws, rules, or procedures that interfere with the effective delivery of community-based services to children and families.*

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must

include an evaluation of the following: early childhood health and development screening services, headstart, child care, and early childhood family education, and parents' involvement in programs meeting the social, cognitive, physical, and emotional needs of children.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

(e) *The commission must study and recommend constructive changes in preventive, community-based programs that encourage children and youth to responsibly serve their community.*

Sec. 5. Minnesota Statutes 1992, section 3.873, subdivision 9, is amended to read:

Subd. 9. [EXPIRATION.] The commission expires on June 30, 1994 1995.

Sec. 6. Minnesota Statutes 1992, section 121.831, is amended to read:

121.831 [LEARNING READINESS PROGRAMS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A district or a group of districts may establish a learning readiness program for eligible children. *The purpose of a learning readiness program is to provide all eligible children adequate opportunities to participate in child development programs that enable the children to enter school with the necessary skills and behavior and family stability and support to progress and flourish.*

Subd. 2. [CHILD ELIGIBILITY.] (a) A child is eligible to participate in a learning readiness program offered by the resident district or another district if the child is:

(1) at least ~~four~~ *three and one-half* years old but has not entered kindergarten; and

(2) ~~has participated or will participate in an early childhood developmental screening program according to~~ *receives developmental screening program according to* under section 123.702 within 90 days of enrolling in the program or the child's fourth birthday.

(b) *A child younger than three and one-half years old may participate in a learning readiness program if the district or group of districts that establishes the program determines that the program can more effectively accomplish its purpose by including children younger than three and one-half years old.*

~~A child may participate in a program provided by the district in which the child resides or by any other district.~~

Subd. 2a. [PROGRAM OUTCOMES.] (a) A learning readiness program must adopt outcomes which include but are not limited to:

(1) *an increase in the proportion of children who exhibit age-appropriate language, development, general knowledge, and social behavior at the time they enter school;*

(2) *an increase in linkages to existing services in the community;*

(3) *an increase in collaboration among education, social, and health service providers;*

- (4) an increase in parental knowledge of child development and parenting;
- (5) an increase in the proportion of children who have received appropriate and timely completion of immunizations and regular well-child exams; and
- (6) a decrease in the proportion of children with previously undetected vision, hearing, and developmental problems at the time of kindergarten entry.

(b) A learning readiness program must regularly assess its progress toward achieving the outcomes adopted in paragraph (a) and modify the comprehensive plan based on the results of the assessment.

Subd. 3. [PROGRAM ELIGIBILITY.] A learning readiness program shall include the following:

(1) a comprehensive plan to ~~coordinate~~ *meet the needs of participating families by coordinating existing social services to provide for the needs of participating families programs and for by fostering collaboration with among agencies or other community-based organizations providing and programs that provide a full range of flexible, family-focused services to families with young children;*

(2) a development and learning component to help a ~~child~~ *children develop socially, intellectually, physically appropriate social, cognitive, and physical skills, and emotionally in a manner appropriate to the child emotional well-being;*

(3) health referral services to address ~~the children's~~ *the children's* medical, dental, mental health, and nutritional needs ~~of the children;~~

(4) a nutrition component to meet ~~the children's~~ *the children's* daily nutritional needs ~~of the children; and~~

(5) ~~parents' involvement of parents in the educational meeting children's educational, health, social service, and other needs of the children;~~

(6) ~~community outreach to ensure participation by families who represent the racial, cultural, and economic diversity of the community; and~~

(7) ~~community-based staff and program resources, including interpreters, that reflect the racial and ethnic characteristics of the children participating in the program.~~

Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs ~~may include the following~~ *are encouraged to:*

(1) ~~prepare an individualized service plan to meet the individual needs of each child~~ *child's developmental and learning needs;*

(2) ~~participation by families who are representative of the racial, cultural, and economic diversity of the community;~~

(3) ~~provide~~ *provide* parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;

(4) (3) ~~foster~~ *foster* substantial parent involvement, that may include ~~developing~~ *having parents develop* curriculum or ~~servng~~ *serve* as a paid or volunteer educator, resource person, or other staff;

(5) (4) ~~identification of identify~~ the needs of families with respect to in the content of the child's learning readiness;

(6) (5) a ~~plan to expand~~ collaboration with public organizations, businesses, nonprofit organizations, or other private organizations to ~~promote the development of develop~~ a coordinated system of flexible, family-focused services available to anticipate and meet the full range of needs of all eligible children and their families with eligible children;

(7) (6) ~~coordination of coordinate~~ treatment and follow-up services for all children's identified physical and mental health problems;

(8) ~~staff and program resources, including interpreters, that reflect the racial and ethnic population of the children in the program;~~

(9) (7) offer transportation for eligible children and their ~~parents families~~ for whom other forms of transportation are ~~not available unavailable~~ or would constitute an excessive financial burden; and

(10) (8) make substantial outreach efforts to assure significant participation by families with the greatest needs-, including those families whose income level does not exceed the most recent update of the poverty guidelines required by sections 652 and 673(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law Number 97-35);

(9) use community-based, trained home visitors serving as paraprofessionals to provide social support, referrals, parent education, and other services;

(10) create community-based family resource centers and interdisciplinary teams;

(11) enhance the quality of family or center-based child care programs by providing supplementary services and resources, staff training, and assistance with children with special needs; and

(12) family literacy programming incorporating parenting education, adult basic skills instruction, and parent/child interaction with developmentally appropriate activities for children.

Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] ~~Whenever possible, A district may is encouraged to contract with a public organization or nonprofit organization providing to provide eligible children developmentally appropriate services meeting one or more of that meet the program requirements in subdivision 3, clauses (1) to (4). In the alternative, a district may also pay tuition or fees to place an eligible child in an existing program or. A district may establish a new program where no existing, reasonably accessible program meets the program requirements in subdivision 3. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not limit restrict participation to district residents of the district.~~

Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] (a) The district shall ~~optimize coordination of coordinate~~ the learning readiness program with existing ~~service community-based social services providers located in the community and foster collaboration among agencies and other community-based organizations and programs that provide flexible, family-focused services to families with children. The district shall actively encourage greater sharing of responsibility and accountability among service providers and facilitate children's transition between programs.~~

(b) To the extent possible, resources shall follow the children based on the services needed, so that children have receive appropriate services in a stable environment and are not moved from one program location to program another. Where geographically feasible, the district shall actively promote colocation of services for children and their families.

Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council which composed of members of existing early education-related boards, parents of participating children, child care providers, culturally specific service organizations, local resource and referral agencies, and representatives of early childhood service providers. The council shall advise the school board in creating and administering the program and shall monitor the progress of the program. The council shall ensure that children at greatest risk receive appropriate services. If the school board is unable to appoint to the advisory council members of existing early education-related boards, it shall:

(1) appoint parents of children enrolled in the program who represent the racial, cultural, and economic diversity of the district and representatives of early childhood service providers as representatives to an existing advisory council; or

(2) appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.

Subd. 8. [PRIORITY CHILDREN.] The district shall give high greatest priority to providing services to eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.

Subd. 9. [CHILD RECORDS.] A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record.

Subd. 10. [SUPERVISION.] A program provided by a school board shall be supervised by a licensed early childhood teacher or a certified early childhood educator parent educator. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised and staffed according to the terms of the contract.

Subd. 11. [DISTRICT STANDARDS.] The school board of the district shall develop standards for the learning readiness program that reflect the eligibility criteria in subdivision 3. The board shall consider including in the standards the program characteristics in subdivision 4.

Subd. 12. [PROGRAM FEES.] A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to enable eligible children of all socioeconomic levels to participate in the program.

Subd. 13. [ADDITIONAL REVENUE.] A district or an organization contracting with a district may receive money or in-kind services from a public or private organization.

Sec. 7. [121.835] [FAMILY SERVICES COLLABORATIVES.]

Subdivision 1. [ESTABLISHMENT.] In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity must enter into an agreement to provide coordinated family services and to commit resources to an integrated fund. Collaboratives are expected to have broad community representation, which may include other local providers, including additional school districts, counties, and public health entities, other municipalities, local health organizations, private and nonprofit service providers, child care providers, local foundations, community-based service groups, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and churches which provide nonsectarian services.

Subd. 2. [DUTIES.] Each family services collaborative shall:

(1) design and implement an integrated local service delivery system for young children and their families which coordinates services across agencies and is client centered. The delivery system shall provide a continuum of services for children through the age of 18, but the greatest emphasis shall be placed on support for pregnant women and for children from birth to age six;

(2) encourage coordination through collocation of services, shared staff, and integrated data processing systems;

(3) identify a service delivery area;

(4) identify federal, state, and local institutional barriers to coordination of services and suggest ways to remove these barriers;

(5) establish an integrated fund from federal, state, local, and private sources to provide integrated and supplemental services;

(6) seek to maximize federal and private funds by designating local expenditures for services that can be matched with federal or private grant dollars and by designing services to meet the requirements for state and federal reimbursement;

(7) negotiate contracts with state agencies and other funding sources to receive additional funds to help meet the goals of the local family services collaborative;

(8) establish management and information systems to ensure fiscal accountability; and

(9) develop outcomes and assessments to measure the effectiveness of the services provided by the family services collaborative.

The measures in clause (9) must include, but are not limited to, the numbers of low birthweight babies, the infant mortality rate, the number of children who are adequately immunized and healthy, the number of young children requiring out-of-home placement, the number of children requiring long-term special education services, and the number of minor parents.

Subd. 3. [INTEGRATED LOCAL SERVICE DELIVERY SYSTEM.] A family services collaborative shall design an integrated local service delivery system that coordinates services between existing agencies and funding streams. The local service delivery system must include an extensive home-

visit component. The integrated local service delivery system must provide for:

(1) improved outreach, early identification, and intervention across systems;

(2) a system of inclusion to provide access for support to all families within a community;

(3) coordinated services that eliminate the need to match clients with multiple providers, funding streams, and provider eligibilities;

(4) improved access to services through coordinated transportation services;

(5) initial outreach to all new mothers and ongoing visits to the homes of children who are potentially at risk;

(6) coordinated assessment across systems that determines which children and families need multiagency service coordination and supplemental services;

(7) multiagency service plans and unitary case management coordination; and

(8) integrated funding.

Subd. 4. [INTEGRATED FUND.] A family services collaborative must establish an integrated fund to help provide an integrated service system and to fund additional supplemental services. The integrated fund may consist of federal, state, local, and private resources. The family services collaborative agreement must specify a minimum financial commitment by the participants to an integrated fund. Participants may not reduce their financial commitment except as specified in the agreement.

Sec. 8. [121.836] [IMPLEMENTATION.]

Subdivision 1. [CHILDREN'S CABINET.] The children's cabinet shall consist of the commissioners of education, human services, jobs and training, public safety, corrections, finance, health, administration, housing finance agency, transportation, and the director of the office of strategic and long-range planning or designee. The governor shall designate one member to serve as chair. The chair is responsible for ensuring that the duties of the children's cabinet are carried out.

Subd. 2. [FUNDING AND POLICY COORDINATION STUDY.] The legislative commission on children, youth, and their families and the children's cabinet must study and make joint recommendations regarding a state-level governance structure to deliver funding and coordinate policy for children and their families. These recommendations may include structural changes to minimize barriers to collaboration and integration of services for children and families at the local level. The commission and cabinet must jointly evaluate the need for a new cabinet-level agency for children. The commission and cabinet shall report their findings and recommendations back to the legislature by January 15, 1994.

Subd. 3. [APPLICATIONS FOR PLANNING GRANTS FOR FAMILY SERVICES COLLABORATIVES.] By August 1, 1993, the children's cabinet shall publish the procedures for awarding planning grants. Applications for

local family services collaboratives shall be obtained through the commissioner of education, human services, or health and must be submitted to the children's cabinet. The application must provide the amount of the planning grant requested by the family services collaborative and how the collaborative will use these funds.

Subd. 4. [DISTRIBUTION OF PLANNING GRANTS.] By February 1, 1994, the children's cabinet must ensure the distribution of the appropriation of planning grants to family services collaboratives that meet the requirements under section 7 and which have been approved by the children's cabinet. The funds must be geographically distributed across the state and balanced between the seven-county metropolitan area and the rest of the state. No more than 2.5 percent of the appropriation is available to the state to administer the grant program. An applicant receiving a grant in fiscal year 1994 may use the grant money in fiscal year 1994 and may carry forward any unencumbered money into fiscal year 1995 or 1996. An applicant receiving a grant in fiscal year 1995 may use the grant money in fiscal year 1995 and may carry forward any unencumbered money into fiscal year 1996.

Subd. 5. [FAMILY SERVICES COLLABORATIVE IMPLEMENTATION GRANTS.] To apply for a family services collaborative implementation grant, a family services collaborative must submit a plan to the children's cabinet by either December 1, 1993, or December 1, 1994. The plan must meet the requirements under subdivision 5 and specify the amount of the implementation grant requested and how the funds will be used. The implementation grant money must be spent solely for direct services except that up to 2.5 percent may be used for evaluation. Up to one-half of the appropriation available for family services collaborative implementation grants may be awarded to family services collaboratives with approved plans received by December 1, 1993. The remaining appropriation is available for grants to family services collaboratives with plans received by December 1, 1994. The children's cabinet shall review a proposal and notify the family services collaborative as to whether or not a plan has been approved within 60 days of receiving a plan. No more than 2.5 percent of the appropriation is available to the state to administer the grant program. An applicant receiving a grant in fiscal year 1994 may use the grant money in fiscal year 1994 and may carry forward any unencumbered money into fiscal year 1995 or 1996. An applicant receiving a grant in fiscal year 1995 may use the grant money in fiscal year 1995 and may carry forward any unencumbered money into fiscal year 1996.

Subd. 6. [LOCAL PLANS.] The family services collaborative plan shall describe how the family services collaborative will carry out the duties and implement the integrated local services delivery system required under section 8. The plan shall include a list of the participants in the collaborative, a copy of the agreement required under section 8, subdivision 1, the amount and source of resources each participant will commit to the integrated fund, methods for increasing local participation in the collaborative, methods for involving parents and other members of the community in the implementation and operation of the collaborative, and methods for providing effective outreach services to all families with young children in the community. The plan shall also include specific goals that the collaborative intends to achieve and methods for objectively measuring progress toward meeting the goals.

Subd. 7. [PLAN APPROVAL BY THE CHILDREN'S CABINET.] (a) The children's cabinet shall approve local plans for family services collaboratives.

In approving local plans, the children's cabinet shall give highest priority to a plan which provides for:

- (1) early intervention and family outreach;*
- (2) home visitation services;*
- (3) a continuum of services for children from birth to age 18;*
- (4) family preservation services;*
- (5) culturally aware service delivery approaches and utilization of culturally specific organizations;*
- (6) clearly defined outcomes and methods of assessment;*
- (7) effective service coordination;*
- (8) maximum inclusion of jurisdictions and various local, county, and state funding sources;*
- (9) maximum integration of existing community service providers and local resources;*
- (10) integration of transportation services;*
- (11) integration of housing services; and*
- (12) coordination with other local services collaboratives authorized by law.*

(b) The children's cabinet shall ensure that the family services collaboratives established are not in contradiction with any state or federal policy or program and that they are not implemented in such a manner as to have negative impact on the state budget.

Subd. 8. [REPORTS BY FAMILY SERVICES COLLABORATIVES.] *Family services collaboratives receiving family services collaborative implementation grants must submit a report to the children's cabinet. The report shall include a description of the progress made by the family services collaborative toward implementing the local plan, the use of funds received through a family services collaborative implementation grant, the number and type of clients served, and the types of services provided. The report shall be submitted to the children's cabinet by December 31, 1994, by family services collaboratives whose local plan was approved no later than February 1, 1994, and by December 31, 1995, for those family services collaboratives whose local plan was approved no later than February 1, 1995. Within two years of the date on which a family services collaborative received a family services collaborative implementation grant, a family services collaborative shall submit a report to the children's cabinet describing the results of assessments measuring the extent to which the family services collaborative has achieved the outcomes developed under section 8, subdivision 2, clause (7).*

Subd. 9. [RECEIPT OF FUNDS.] *The office of strategic and long-range planning may receive and administer public and private funds for the purposes of this act.*

Sec. 9. [121.837] [FEDERAL REVENUE ENHANCEMENT.]

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] *The commissioner of human services may enter into an agreement*

with one or more family services collaboratives to enhance federal reimbursement under Title IV-E of the Social Security Act and federal administrative reimbursement under Title XIX of the Social Security Act. The commissioner shall have the following authority and responsibilities regarding family services collaboratives:

(1) the commissioner shall submit amendments to state plans and seek waivers as necessary to implement the provisions of this section;

(2) the commissioner shall pay the federal reimbursement earned under this subdivision to each collaborative based on their earnings. Notwithstanding section 256.025, subdivision 2, payments to collaboratives for expenditures under this subdivision will only be made of federal earnings from services provided by the collaborative;

(3) the commissioner shall review expenditures of family services collaboratives using reports specified in the agreement with the collaborative to ensure that the base level of expenditures is continued and new federal reimbursement is used to expand education, social, health, or health-related services to young children and their families;

(4) the commissioner may reduce, suspend, or eliminate a family services collaborative's obligations to continue the base level of expenditures or expansion of services if the commissioner determines that one or more of the following conditions apply:

(i) imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;

(ii) reduction in the net tax capacity of the taxable property eligible to be taxed by the lead county or subcontractor that significantly reduces available funds for education, social, health, or health-related services to families and children;

(iii) reduction in the number of children under age 19 in the county, collaborative service delivery area, subcontractor's district, or catchment area when compared to the number in the base year using the most recent data provided by the state demographer's office; or

(iv) termination of the federal revenue earned under the family services collaborative agreement;

(5) the commissioner shall not use the federal reimbursement earned under this subdivision in determining the allocation or distribution of other funds to counties or collaboratives;

(6) the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of this subdivision;

(7) the commissioner shall recover from the family services collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the family services collaborative's actions in the integrated fund, or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample; and

(8) the commissioner shall establish criteria for the family services collaborative for the accounting and financial management system that will support claims for federal reimbursement.

Subd. 2. [FAMILY SERVICES COLLABORATIVE RESPONSIBILITIES.] The family services collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the family services collaborative shall be the party with which the commissioner contracts. A lead county shall be designated as the fiscal agency for reporting, claiming, and receiving payments;

(2) the family services collaboratives may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement, or to expand education, social, health, or health-related services to families and children;

(3) the family services collaborative must continue the base level of expenditures for education, social, health, or health-related services to families and children from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services, except as provided in subdivision 1, clause (4). The base year for purposes of this subdivision shall be the four-quarter calendar year ending at least two calendar quarters before the first calendar quarter in which the new federal reimbursement is earned;

(4) the family services collaborative must use all new federal reimbursement resulting from federal revenue enhancement to expand expenditures for education, social, health, or health-related services to families and children beyond the base level, except as provided in subdivision 1, clause (4);

(5) the family services collaborative must ensure that expenditures submitted for federal reimbursement are not made from federal funds or funds used to match other federal funds. Notwithstanding section 256B.19, subdivision 1, for the purposes of family services collaborative expenditures under agreement with the department, the nonfederal share of costs shall be provided by the family services collaborative from sources other than federal funds or funds used to match other federal funds;

(6) the family services collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the agreement; and

(7) the family services collaborative shall submit an annual report to the commissioner as specified in the agreement.

Subd. 3. [AGREEMENTS WITH FAMILY SERVICES COLLABORATIVES.] At a minimum, the agreement between the commissioner and the family services collaborative shall include the following provisions:

(1) specific documentation of the expenditures eligible for federal reimbursement;

(2) the process for developing and submitting claims to the commissioner;

(3) specific identification of the education, social, health, or health-related services to families and children which are to be expanded with the federal reimbursement;

(4) reporting and review procedures ensuring that the family services collaborative must continue the base level of expenditures for the education, social, health, or health-related services for families and children as specified in subdivision 2, clause (3);

(5) reporting and review procedures to ensure that federal revenue earned under this section is spent specifically to expand education, social, health, or health-related services for families and children as specified in subdivision 2, clause (4);

(6) the period of time, not to exceed three years, governing the terms of the agreement and provisions for amendments to, and renewal of the agreement; and

(7) an annual report prepared by the family services collaborative.

Sec. 10. [121.838] [WAIVER OF RULES.]

(a) A family services collaborative, or any other local collaborative entity, including those in Becker, Cass, and Ramsey counties, is encouraged to seek a waiver from any state or federal rule that impedes the implementation or effectiveness of the services provided by the collaborative. If the board or commissioner who adopted the state rule from which a waiver is requested approves a request for a waiver, it shall notify the family services collaborative and the children's cabinet of the approval. If the request for a waiver is denied, the board or commissioner who adopted the rule shall notify the family services collaborative, the children's cabinet, and the appropriate policy committees of the legislature of the reason for denying the waiver.

(b) A family services collaborative seeking a waiver from a federal rule shall submit a request, in writing, to the appropriate policy committees of the legislature and the children's cabinet. If the legislative committees approve the request, they shall direct the appropriate state agency to make a reasonable effort to negotiate a waiver of the federal rule. If the legislative committees deny the request for a waiver, they shall jointly notify the family services collaborative and the children's cabinet of the reason for denying the waiver.

Sec. 11. Minnesota Statutes 1992, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a mandatory program of early childhood developmental screening for children who are four years old and older but who have not entered kindergarten or first grade in a public school once before school entrance, targeting children who are between 3-1/2 and 4 years old. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory requirement for a student to continue attending kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers in implementing the program.

Sec. 12. Minnesota Statutes 1992, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled in kindergarten ~~or first grade~~ in a public school unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening not later than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another ~~or from one first grade to another~~, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Sec. 13. Minnesota Statutes 1992, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening not later than 30 days after the first day of attending kindergarten ~~or first grade~~ in a public school.

Sec. 14. Minnesota Statutes 1992, section 123.702, subdivision 5, is amended to read:

Subd. 5. Every school board shall integrate and utilize volunteer screening programs in implementing sections 123.702 to ~~123.705~~ 123.7045 wherever possible.

Sec. 15. Minnesota Statutes 1992, section 123.7045, is amended to read:

123.7045 [DEVELOPMENTAL SCREENING AID.]

Each school year, the state shall pay a school district \$25 for each child screened according to the requirements of section 123.702. *If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient.*

Sec. 16. Minnesota Statutes 1992, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing adult basic education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than ~~90~~ 100 percent of the actual cost of providing these programs.

Sec. 17. Minnesota Statutes 1992, section 124.2601, subdivision 4, is amended to read:

Subd. 4. [LEVY.] A district with an eligible program may levy an amount not to exceed the amount raised by ~~24~~ .085 percent times the adjusted tax capacity of the district for the preceding year.

Sec. 18. Minnesota Statutes 1992, section 124.2601, subdivision 6, is amended to read:

Subd. 6. [AID GUARANTEE.] (a) *For fiscal year 1994*, any adult basic education program that receives less state aid under subdivisions 3 and 7 than

from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

(b) For 1995 and later fiscal years, any adult basic education program that receives less revenue under subdivisions 3, 4, and 7 than it received under section 124.2601, subdivisions 3, 4, and 7, for fiscal year 1994, shall receive additional aid equal to the amount of revenue that would have been raised for taxes payable in 1994 under section 124.2601, subdivision 4, minus the amount raised under subdivision 4.

Sec. 19. Minnesota Statutes 1992, section 124.2615, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. ~~The~~ For fiscal year 1994, the aid is equal to:

(1) ~~\$200 for fiscal year 1992 and \$300 for fiscal year 1993~~ 135 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) ~~\$100 for fiscal year 1992 and \$300 for fiscal year 1993~~ 100 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year 1994 1995 and thereafter, a district shall receive learning readiness aid equal to:

(1) 120 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) 100 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1); plus

~~(1) \$500~~ 50 times the number of all participating eligible children; plus participating 20 hours or more in any activity funded under this section.

~~(2) \$200~~ times the number of participating eligible children identified according to section ~~121.831~~, subdivision 8.

Sec. 20. Minnesota Statutes 1992, section 124.2615, subdivision 3, is amended to read:

Subd. 3. [USE OF AID.] Learning readiness aid shall be used only to provide a learning readiness program, or equivalent program approved by the commissioner, and may be used to provide transportation. Not more than five percent of the aid may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used for instruction and services required under section

120.17. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Sec. 21. Minnesota Statutes 1992, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$96.50 for fiscal year 1992 or equals \$101.25 for fiscal year 1993 and later fiscal years times the greater of:

- (1) 150; or
- (2) the number of people under five years of age residing in the school district on September 1 of the last previous school year.

Sec. 22. Minnesota Statutes 1992, section 124.2711, subdivision 2a, is amended to read:

Subd. 2a. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] To obtain early childhood family education revenue, a district may levy an amount equal to the tax rate of ~~596~~ .613 percent times the adjusted tax capacity of the district for the year preceding the year the levy is certified. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy shall equal the early childhood family education revenue.

Sec. 23. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 5. [RESERVE ACCOUNT.] *Early childhood family education revenue must be maintained in a reserved account within the community service fund.*

Sec. 24. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 6. [HOME VISITING LEVY.] *A school district that enters into a collaborative agreement to provide education services and social services to families with young children may levy an amount equal to \$1.60 times the number of people under five years of age residing in the district on September 1 of the last school year. Levy revenue under this subdivision shall not be included as revenue under subdivision 1. the revenue shall be used for home visiting programs under section 121.882, subdivision 2b.*

Sec. 25. [124.2712] [REDUCTION TO EARLY CHILDHOOD FAMILY EDUCATION REVENUE.]

Subdivision 1. [REVENUE REDUCTION.] *A school district's early childhood family education revenue under section 124.2711 must be reduced if the community service fund balance reserved for early childhood family education as of June 30 in the last school year exceeds 200 percent of the district's early childhood family education revenue for the current school year.*

The amount of the reduction equals the lesser of:

- (1) *the amount of the excess; or*
- (2) *the amount of the district's early childhood family education revenue for the current school year.*

Subd. 2. [LEVY REDUCTION.] If a district's early childhood family education revenue is reduced, the early childhood family education levy must be reduced by the following amount:

- (1) the reduction specified in subdivision 1; times*
- (2) the lesser of one or the ratio of the district's early childhood family education levy to its early childhood family education revenue.*

Subd. 3. [AID REDUCTION.] A district's early childhood family education aid must be reduced by an amount equal to the difference between the revenue reduction and the levy reduction.

Sec. 26. Minnesota Statutes 1992, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a tax rate of ~~1.07 percent for fiscal year 1992 and 1.095~~ 1.12 percent for fiscal year 1993 1995 and thereafter, times the adjusted net tax capacity of the district. If the amount of the community education levy would exceed the community education revenue, the community education levy shall ~~equal the community education revenue~~ be determined according to subdivision 6a.

Sec. 27. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 6a. [COMMUNITY EDUCATION LEVY; DISTRICTS OFF THE FORMULA.] If the amount of the community education levy for a district exceeds the district's community education revenue, the amount of the community education levy is limited to the sum of:

- (1) the district's community education revenue according to subdivision 1; plus*
- (2) the amount of the aid reduction for the same fiscal year according to subdivision 6b.*

For purposes of statutory cross-reference, a levy made according to this subdivision is the levy made according to subdivision 6.

Sec. 28. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 6b. [COMMUNITY EDUCATION LEVY EQUITY.] (a) If a district's community education levy for a fiscal year is determined according to subdivision 6a, an amount must be deducted from state aid authorized in this chapter receivable for the same fiscal year, and from state payments authorized in chapter 273 and receivable for the same fiscal year, the amount of the deduction equals the difference between:

- (1) the district's community education revenue according to subdivision 1; and*
- (2) the district's maximum community education levy according to subdivision 6.*

(b) The amount of the deduction in any fiscal year must not exceed the amount of state payments authorized in chapters 124 and 273 and receivable for the same fiscal year in the district's community service fund.

Sec. 29. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. [RESERVE ACCOUNT.] Community education revenue and youth service revenue must be maintained in a reserved account within the community service fund.

Sec. 30. Minnesota Statutes 1992, section 124.2714, is amended to read:

124.2714 [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) *Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's community education revenue under section 124.2713 for that fiscal year over the amount received by the district under section 124.2713 for fiscal year 1994.*

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 31. Minnesota Statutes 1992, section 124.2716, is amended to read:

124.2716 [EXTENDED DAY ~~LEVY~~ REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district that offers an extended day program according to section 121.88, subdivision 10, may levy is eligible for extended day revenue for the additional costs of providing services to children with disabilities or to children experiencing family or related problems of a temporary nature who participate in the extended day program.

Subd. 2. [EXTENDED DAY REVENUE.] The extended day revenue for an eligible school district equals the approved additional cost of providing services to children with disabilities or children experiencing family or related problems of a temporary nature who participate in the extended day program.

Subd. 3. [EXTENDED DAY LEVY.] To obtain extended day revenue, a school district may levy an amount equal to the district's extended day revenue as defined in subdivision 2 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to \$3,700.

Subd. 4. [EXTENDED DAY AID.] A district's extended day aid is the difference between its extended day revenue and its extended day levy. If a district does not levy the entire amount permitted, extended day aid must be reduced in proportion to the actual amount levied.

Sec. 32. [124.2717] [REDUCTION TO COMMUNITY EDUCATION REVENUE.]

Subdivision 1. [REVENUE REDUCTION.] (a) A school district's revenue under sections 124.2713 and 124.2714 must be reduced if the community service fund balance reserved for community education as of June 30 in the last school year exceeds 200 percent of the district's revenue for the current school year under section 124.2713. The amount of the reduction equals the lesser of:

- (1) the amount of the excess; or
- (2) the amount of the district's revenue for the current school year under sections 124.2713 and 124.2714.

(b) The reduction must be made first from the district's revenue under section 124.2714. A reduction must be made to the district's revenue under section 124.2713 only if the amount of the reduction exceeds the district's revenue under section 124.2714.

Subd. 2. [LEVY REDUCTION.] If a district's revenue under section 124.2713 is reduced, the community education levy must be reduced by the following amount:

- (1) the reduction specified in subdivision 1; times
- (2) the lesser of one or the ratio of the district's community education levy to its community education revenue.

Subd. 3. [AID REDUCTION.] A district's community education aid must be reduced by an amount equal to the difference between the revenue reduction and the levy reduction.

Sec. 33. [124.651] [INTEGRATED EARLY CHILDHOOD SERVICES REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for integrated early childhood services revenue if the commissioner of education has approved a plan required under subdivision 3.

Subd. 2. [INTEGRATED EARLY CHILDHOOD SERVICES REVENUE.] A school district's integrated early childhood services revenue is equal to the sum of the amounts received according to sections 124.2615, subdivision 2; 124.2711, subdivision 1; 124.2716; and 123.7045. If a school district does not submit a plan for integrated early childhood services revenue, the revenue received according to sections 124.2615, subdivision 2; 124.2711, subdivision 1; 124.2716; and 123.7045 shall be used only for the approved purposes as provided for in sections 121.831; 121.882; 121.88, subdivision 10; and 123.702.

Subd. 3. [INTEGRATED EARLY CHILDHOOD SERVICES PLAN.] To receive integrated early childhood services revenue, a school district must submit a plan to the commissioner of education. The plan must specify the services the school district will provide to young children and their families using integrated early childhood services revenue. The plan shall include a description of the proposed cooperative arrangements with other school districts, counties, municipalities, nonprofit service providers, businesses, or other community organizations to provide coordinated, comprehensive services; a description of proposed family outreach efforts; and proof of substantial community involvement in the development of the plan. The plan must ensure that equivalent services or outcomes to those required under sections 121.831, 121.882, and 123.702 will be provided.

Sec. 34. Minnesota Statutes, 1992, section 126.67, subdivision 8, is amended to read:

Subd. 8. [CAREER INFORMATION; APPROPRIATION.] (a) The department of education, through the Minnesota career information system, may provide career information to school districts and other educational organi-

zations, employment and training services, human service agencies, libraries, and families. The department shall collect fees necessary to recover all expenditures related to the operation of the Minnesota career information service. Grants may be accepted and used for the improvement or operation of the program. *All receipts must be deposited in a special account in the special revenue fund. The money in the account, along with any interest earned, is appropriated annually to the commissioner of education for the Minnesota career information system. Equipment, materials, and property purchased with Minnesota career information system money must be for the sole use and benefit of the system.*

(b) The department must recognize that the Minnesota career information system operates under a self-supporting directive, and, accordingly, must be provided sufficient administrative latitude within the confines of law to enable the system to operate effectively.

Sec. 35. [INTEGRATED CHILDREN'S DATABASE.]

Subdivision 1. [PLAN.] The departments of education, administration, health and human services, and the office of strategic and long-range planning shall jointly develop a plan for an integrated statewide children's service database. The plan must include common essential data elements that include all children from birth through kindergarten enrollment by July 1, 1995. The essential data elements shall be the basis for a statewide children's service database. Initial service areas shall include but are not limited to: early childhood and family education, ECFE tribal schools, learning readiness, way to grow, early childhood special education part H, even start, school health, home visitor, lead poisoning screening, child care resources and referral, child care service development, child trust fund, migrant child care, dependent child care, headstart and community resource program.

In developing a plan for a statewide integrated children's database the joint planning team must do the following:

(1) conduct a high-level needs analysis of service delivery areas and reporting and decision making areas;

(2) inventory current information systems;

(3) establish outcomes for system development;

(4) analyze the needs of individuals and organizations that will use the system; and

(5) identify barriers to sharing of information and recommend changes to the Data Practices Act to accomplish the removal of those barriers.

Subd. 2. [DATA STORAGE.] The departments of education, administration, corrections, health and human services, and the office of strategic and long-range planning must provide to the legislature by January 30, 1995, a plan for storage of essential data elements for use by family service centers. This plan will include reporting of data to the state as a by-product of both family service and school district internal operations.

Subd. 3. [AGENCY SYSTEM INTEGRATION.] Any state agency or department with programs serving children that is designing or redesigning its information system must ensure that the resulting information system is fully able to be integrated into the statewide children's service database by June 30, 1995. Agencies or departments must submit plans for information

systems design or redesign for review by the information policy office to ensure that agency or department information will be able to be integrated into the statewide children's service database.

Sec. 36. [NORTH BRANCH COMMUNITY PARTICIPATION SCHOOL.]

Subdivision 1. [PILOT PROGRAM.] Independent school district No. 138, North Branch, shall establish a pilot outcome-based community participation school with the following components:

- (1) educational opportunities for preschool through grade 6 learners;*
- (2) social services located at the school, including student and family counseling and appropriate referrals when necessary;*
- (3) programs that focus on self-esteem, conflict resolution, violence prevention, truancy, and other related issues;*
- (4) health services located at the school to address the health needs of learners, including prevention programs designed to reduce health-related problems caused by drug and alcohol use, poor nutrition, and other factors;*
- (5) community education programs designed to assist parents with the challenges of parenting in today's society;*
- (6) regular contact with the families of students by teachers, social workers, nurses, and other school personnel through home visits, conferences at school or the workplaces of family members, telephone contact, and written communication; and*
- (7) a Saturday program designed to address issues such as remedial work and family dynamics that impact student learning, or to provide other learning opportunities for students and their families.*

Subd. 2. [FAMILY-SCHOOL PARTNERSHIP.]

The families of students attending the community participation school must agree to participate in the program by:

- (1) supporting the philosophy of the school;*
- (2) serving as volunteers at the school during the day, the evening, or on weekends;*
- (3) attending family training and information sessions on topics such as conflict resolution and parenting skills; and*
- (4) emphasizing the value of education at home through activities such as reading to their children and encouraging them to read, taking them to libraries, and reducing the family's television viewing.*

Subd. 3. [COMMUNITY LEARNING COMMITTEE.]

A community learning committee shall be formed with representatives from the school district, city council, county, student groups, and others to develop a community plan for the implementation of this pilot program and to identify strategies for enhancing community recognition of the value that needs to be placed on education. The committee shall address how agencies will combine resources to collaborate on service delivery to carry out the purposes of the

pilot school. The school board of independent school district No. 138 shall convene the initial meeting of this committee.

Subd. 4. [TIMELINES.]

(a) The board of independent school district No. 138 shall establish this program no later than January 1, 1994. The community learning committee must be convened within 30 days following enactment of this section.

(b) By July 15, 1994, independent school district No. 138 shall submit a report on the pilot program's status to the commissioner of education, the state board of education, and the education committees of the legislature.

(c) By February 1, 1995, independent school district No. 138 shall submit a report on the program's initial year to the commissioner of education, the state board of education, and the education committees of the legislature. The report must document the impact of the pilot program on student performance in meeting outcomes, changes in student social behaviors and student health, family involvement in the school and the impact of that involvement, agency collaboration in providing school-based services, and other community participation.

Sec. 37. [REPORTS.]

By February 15, 1994, the children's cabinet shall report to the chairs of the family services and education committees of the legislature and to the legislative commission on children, youth, and families the number of plans approved under section 9, subdivision 5, the amounts of the grants distributed, a brief description of the proposals, and the status of the family services collaboratives established under section 8, subdivision 1.

Sec. 38. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26 in fiscal year 1994 and 124.2601 in fiscal year 1995:

\$6,159,000 1994

\$9,454,000 1995

The 1994 appropriation includes \$911,000 for 1993 and \$5,248,000 for 1994.

The 1995 appropriation includes \$926,000 for 1994 and \$8,528,000 for 1995.

Up to \$275,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

Up to \$300,000 each year shall be used to provide grants to school districts for-bilingual and English as a second language instruction to limited-English proficiency adults enrolled in approved adult basic education programs. A school district shall apply to the commissioner for a grant no later than August 1 of each year. The maximum amount of a grant is \$50,000.

Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124.2715:

\$670,000 1994

\$670,000 1995

Any balance in the first year does not cancel and is available for the second year.

Subd. 4. [ALCOHOL-IMPAIRED DRIVER.] (a) For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

\$288,000 1994

\$288,000 1995

(b) These appropriations are from the alcohol-impaired driver account of the special revenue fund. Any funds credited for the department of education to the alcohol-impaired driver account of the special revenue fund in excess of the amounts appropriated in this subdivision are appropriated to the department of education and available in fiscal year 1994 and fiscal year 1995.

(c) Up to \$88,000 each year may be used for grants to support student-centered programs to discourage driving after consuming alcohol.

(d) Up to \$200,000 and any additional funds each year may be used for chemical abuse prevention grants.

Subd. 5. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.2713:

\$3,182,000 1994

\$3,291,000 1995

The 1994 appropriation includes \$496,000 for 1993 and \$2,686,000 for 1994.

The 1995 appropriation includes \$474,000 for 1994 and \$2,817,000 for 1995.

Subd. 6. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:

\$13,464,000 1994

\$13,762,000 1995

The 1994 appropriation includes \$1,875,000 for 1993 and \$11,589,000 for 1994.

The 1995 appropriation includes \$2,044,000 for 1994 and \$11,718,000 for 1995.

Up to \$15,000 each year may be spent to develop outcomes for and evaluate ECFE programs.

Subd. 7. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, sections 123.702 and 123.7045:

\$1,558,000 1994

\$1,550,000 1995

The 1994 appropriation includes \$240,000 for 1993 and \$1,318,000 for 1994.

The 1995 appropriation includes \$232,000 for 1994 and \$1,318,000 for 1995.

Any balance in the first year does not cancel but is available in the second year.

Subd. 8. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

\$70,000 1994

\$70,000 1995

Subd. 9. [ADULT GRADUATION AID.] For adult graduation aid:

\$1,827,000 1994

\$1,986,000 1995

The 1994 appropriation includes \$204,000 for 1993 and \$1,623,000 for 1994.

The 1995 appropriation includes \$286,000 for 1994 and \$1,700,000 for 1995.

In the event that the appropriation in either year is insufficient, the adult graduation aid paid to a school district and to a higher education institution shall be prorated equally.

Subd. 10. [GED TESTS.] For payment of 60 percent of the costs of GED tests:

\$180,000 1994

\$180,000 1995

Subd. 11. [WAY TO GROW.] For grants for way to grow programs according to Minnesota Statutes, section 145.926:

\$1,150,000 1994

\$200,000 of this appropriation shall be used to award grants for up to four additional pilot projects, including one pilot project in a city located within the metropolitan area as defined in 473.12, subdivision 2, that is not a first-class city; and up to three pilot projects in cities located outside of the metropolitan area as defined in 473.121, subdivision 2.

This appropriation is available until June 30, 1995.

Subd. 12. [SURVEY.] For a survey of students, including those attending alternative education programs:

\$150,000 1995

Subd. 13. [LEARNING READINESS AND HEAD START.] For learning readiness and head start programs:

\$16,205,000 1994

\$22,554,000 1995

The 1994 appropriation includes \$1,412,000 for 1993 and \$8,540,000 for 1994 for learning readiness programs.

The 1995 appropriation includes \$1,508,000 for 1994 and \$8,540,000 for 1995 for learning readiness programs.

Upon agreement by the commissioners of finance, education, and jobs and training as to how learning readiness, head start, and early childhood family education spending will be coordinated, \$6,253,000 in 1994 and \$12,506,000 in 1995 shall be transferred to the department of jobs and training for head start programs.

Subd. 14. [NORTH BRANCH GRANT.] For a grant to independent school district No. 138, North Branch, to develop a community school program:

\$200,000 1994

Any balance in the first year does not cancel but is available in the second year.

Subd. 15. [FAMILY SERVICES COLLABORATIVES.] For grants to family services collaboratives according to section 8, subdivisions 4 and 5:

\$5,000,000 1994

\$1,500,000 is for family services planning grants according to section 8, subdivision 4.

Up to \$130,000 of the sum listed above is for the legislative coordinating commission for purposes of section 1.

Up to \$400,000 is for the office of strategic and long-range planning for the purposes of section 8, subdivision 1.

Up to \$100,000 is for the office of strategic and long-range planning for the purposes of section 35.

Any portion of this sum not spent on planning grants shall be used for implementation grants.

\$3,500,000 is for family services implementation grants according to section 8, subdivision 5.

The amounts appropriated under this section do not cancel but are available until June 30, 1996.

Subd. 16. [EXTENDED DAY AID.] For extended day aid according to Minnesota Statutes, section 124.2716:

\$340,000 1995

Sec. 39. [EFFECTIVE DATE.]

Section 28 is effective for 1993 payable 1994 levies and fiscal year 1995 aid.

ARTICLE 5

INFRASTRUCTURE AND EQUIPMENT

Section 1. Minnesota Statutes 1992, section 123.36, is amended by adding a subdivision to read:

Subd. 15. [USE OF BUILDINGS BY LOWER GRADES.] (a) In addition to the protections provided in existing building and fire code rules and standards, the following alternatives apply for existing school buildings:

(1) rooms occupied by preschool, kindergarten, and first and second grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs may be located on any floor level below the fourth story of a school building if the building is protected throughout by a complete automatic sprinkler system and a complete automatic fire alarm system consisting of automatic smoke detection throughout the exit system and approved smoke detection in all rooms and areas other than classrooms and offices;

(2) rooms used by preschool, kindergarten, or first grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs, must be located on the story of exit discharge, and rooms used by second grade students, for any purpose, must be located on the story of exit discharge or one story above unless one of the following conditions is met:

(i) a complete automatic sprinkler system is provided throughout the building, the use of the affected room or space is limited to one grade level at a time and exiting is provided from the affected room or space which is independent from the exiting system used by older students; or

(ii) a complete approved automatic fire alarm system is installed throughout the building consisting of automatic smoke detection throughout the exit system and approved detection in all rooms and areas other than classrooms and offices, the use of the affected room or space is limited to one grade level at a time and exiting is provided from the affected room or space which is independent from the exiting system used by older students; and

(3) for purposes of this clause, pupils from second grade down are considered one grade level.

(b) Accessory spaces, including gymnasiums, cafeterias, media centers, auditoriums, libraries, and band and choir rooms, which are used on an occasional basis by preschool, kindergarten, and first and second grade students are permitted to be located one level above or one level below the story of exit discharge, provided the building is protected throughout by a complete automatic sprinkler system or a complete approved corridor smoke detection system.

(c) Paragraphs (a) and (b) supersede any contrary provisions of the state fire code or state building code and rules relating to those codes must be amended by the state agencies having jurisdiction of them.

(d) Paragraphs (a), (b), and (c) are effective for new school buildings beginning July 1, 1994.

Sec. 2. [124.239] [ALTERNATIVE FACILITY MAINTENANCE PROGRAM.]

Subdivision 1. [TO QUALIFY.] An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;
- (2) over 2,000,000 square feet of space;
- (3) average age of building space is 20 years or older;

(4) insufficient funds from infrastructure maintenance revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(5) a ten-year facility plan approved by the commissioner according to subdivision 2.

Subd. 2. [TEN-YEAR PLAN.] (a) A qualifying district must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

- (1) health and safety revenue;
- (2) disabled access levy; and
- (3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

(b) The school district must:

- (1) annually update the plan;
- (2) biennially submit a facility maintenance plan; and
- (3) indicate whether the district will issue bonds to finance the plan or levy for the costs.

Subd. 3. [BOND AUTHORIZATION.] A school district, with the approval of its board and the commissioner under this section, may issue general obligation bonds to finance the approved facilities plans. Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to issue bonds under this section is in addition to any bonding authority authorized by chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of chapter 124, or any other law other than section 475.53, subdivision 4.

Subd. 4. [LEVY PROHIBITED FOR CAPITAL PROJECTS.] A district that participates in the alternative facility program is not eligible to levy and cannot receive aid for any capital projects under sections 124.83 and 124.84. If the district has indicated to the commissioner that the plan will be funded through a levy, the district may levy the amount of the approved costs according to the schedule in the plan.

Subd. 5. [SEPARATE ACCOUNT.] A district must establish a separate account under UFARS for this program. If the district's levy exceeds the

necessary interest and principal payments and noncapital health and safety costs, the district must reserve the revenue to replace future bonding authority, prepay bonds authorized under this program, or make payments on principal and interest.

Sec. 3. Minnesota Statutes 1992, section 124.243, subdivision 2, is amended to read:

Subd. 2. [~~CAPITAL EXPENDITURE FACILITIES INFRASTRUCTURE MAINTENANCE REVENUE.~~] ~~Capital expenditure facilities~~ (a) ~~Infrastructure maintenance revenue for a district equals \$128 \$100 times the district's maintenance cost index times its actual marginal cost pupil units for the school year. A district's capital expenditure facilities infrastructure maintenance revenue for a school year shall be reduced if the unreserved balance in the capital expenditure facilities infrastructure maintenance account on June 30 of the prior school year exceeds \$270 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities infrastructure maintenance revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities infrastructure maintenance account on June 30 of the prior year exceeds \$270 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities infrastructure maintenance revenue for that year.~~

(b) For 1995 and later fiscal years, the previous formula infrastructure maintenance revenue equals the amount of revenue computed for the district according to Minnesota Statutes, section 124.243 for fiscal year 1994.

(c) Notwithstanding clause (a), for fiscal year 1995, the infrastructure maintenance revenue for each district equals 25 percent of the amount determined in clause (a) plus 75 percent of the previous formula infrastructure maintenance revenue.

(d) Notwithstanding clause (a), for fiscal year 1996, the infrastructure maintenance revenue for each district equals 50 percent of the amount determined in clause (a) plus 50 percent of the previous formula infrastructure maintenance revenue.

(e) Notwithstanding clause (a), for fiscal year 1997, the infrastructure maintenance revenue for each district equals 75 percent of the amount determined in clause (a) plus 25 percent of the previous formula infrastructure maintenance revenue.

Sec. 4. Minnesota Statutes 1992, section 124.243, subdivision 2a, is amended to read:

Subd. 2a. [~~EXCEPTION TO FUND BALANCE REDUCTION.~~] A district may apply to the commissioner for approval for an unreserved fund balance in its ~~capital expenditure facilities infrastructure maintenance~~ account that exceeds \$270 per fund balance pupil unit for a period not to exceed ~~three~~ *five* years. ~~If the commissioner approves the district's application, the district's capital expenditure facilities infrastructure maintenance revenue shall not be reduced according to subdivision 2. The commissioner may approve a district's application for an exception only if the use of the district's capital expenditure facilities infrastructure maintenance funds are consistent with plans adopted according to subdivision 1.~~

Sec. 5. Minnesota Statutes 1992, section 124.243, subdivision 3, is amended to read:

Subd. 3. [~~CAPITAL EXPENDITURE FACILITIES INFRASTRUCTURE MAINTENANCE LEVY.~~] To obtain ~~capital expenditure facilities infrastructure maintenance~~ revenue, a district may levy an amount not to exceed the ~~capital expenditure facilities infrastructure maintenance~~ revenue determined in subdivision 2 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the ~~actual marginal cost~~ pupil units in the district for the school year to which the levy is attributable, to

(2) 100 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 6. Minnesota Statutes 1992, section 124.243, subdivision 6, is amended to read:

Subd. 6. [USES OF REVENUE.] ~~Capital expenditure facilities Infrastructure maintenance~~ revenue may be used only for the following purposes:

- (1) to acquire land for school purposes *adjacent to school property*;
- (2) to acquire or construct buildings for school purposes, ~~if approved by the commissioner of education according to applicable statutes and rules up to \$400,000~~;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123.36, subdivision 10;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and

(15) to purchase or lease interactive telecommunications equipment.

Sec. 7. Minnesota Statutes 1992, section 124.243, is amended by adding a subdivision to read:

Subd. 12. [MAINTENANCE COST INDEX.] (a) A district's maintenance cost index is equal to the ratio of:

(1) the total weighted square footage for all eligible district-owned facilities; and

(2) the total unweighted square footage of these facilities.

(b) The department shall determine a district's maintenance cost index annually. Eligible district owned facilities shall include only instructional or administrative square footage owned by the district. The commissioner of education may adjust the age of a building or addition for major renovation projects.

(c) The square footage weighting factor for each original building or addition equals the lesser of:

(1) one plus the ratio of the age in years to 100; or

(2) 1.5.

(d) The weighted square footage for each original building or addition equals the product of the unweighted square footage times the square footage weighting factor.

Sec. 8. Minnesota Statutes 1992, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~\$63~~ \$68 times its ~~actual~~ *actual marginal cost* pupil units ~~counted according to section 124.17, subdivision 1,~~ for the school year.

Sec. 9. Minnesota Statutes 1992, section 124.244, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue, a district may levy an amount not to exceed the district's capital expenditure equipment revenue as determined in subdivision 1 multiplied by the lesser of one; or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the ~~actual~~ *actual marginal cost* pupil units in the district for the school year to which the levy is attributable, to

(2) 100 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 10. Minnesota Statutes 1992, section 124.431, subdivision 1a, is amended to read:

Subd. 1a. [CAPITAL LOANS ELIGIBILITY.] Beginning July 1, 1992, a district is not eligible for a capital loan unless the district's estimated net debt tax rate *as computed by the commissioner* after debt service equalization aid would be more than 20 percent of adjusted net tax capacity. *The estimate must assume a 20-year maturity schedule for new debt.*

Sec. 11. Minnesota Statutes 1992, section 124.431, subdivision 14, is amended to read:

Subd. 14. [BOND SALE LIMITATIONS.] A district having an outstanding state loan must not issue and sell any bonds on the public market, except to refund state loans, unless it agrees to make the maximum effort debt service levy in each later year at the higher rate provided in section 124.38, subdivision 7, and unless it schedules the maturities of the bonds according to section 475.54, subdivision 2. *A district that refunds bonds or certificates of indebtedness at a lower interest rate may continue to make the maximum effort debt service levy in each later year at the current rate provided in section 124.38, subdivision 7, if the district can demonstrate to the commissioner's satisfaction that the district's repayments of the state loan will not be reduced below the previous year's level. The district shall report each sale to the commissioner of education.*

After a district's capital loan has been outstanding for 20 years, the district must not issue bonds on the public market except to refund the loan.

Sec. 12. [124.829] [HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT.]

"Health, safety, and environmental management" means school district activities necessary for a district's compliance with state law and rules of the departments of health, labor and industry, public safety, and pollution control agency as well as any related federal standards. These activities include hazard assessment, required training, record keeping, and program management.

Sec. 13. Minnesota Statutes 1992, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district, including an intermediate district, must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire ~~code compliance~~, ~~or~~ and life safety ~~code repairs~~, ~~labor and industry regulated facility and equipment violations~~, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, *per building*, of the program by fiscal year.

Sec. 14. Minnesota Statutes 1992, section 124.83, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PROGRAM.] A district ~~may~~ *must* adopt a health and safety program. The program ~~may~~ *must* include plans, *where applicable*, for hazardous substance removal, fire ~~code compliance~~, ~~or~~ and life safety

code repairs, regulated facility and equipment violations, and health, safety, and environmental management.

(a) A hazardous substance plan must contain provisions for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296.01. If a district has already developed a plan for the removal or encapsulation of asbestos as required by AHERA, a new plan is not necessary the district may use a summary of that plan, which includes a description and schedule of response actions, for purposes of this section. The plan must also contain provisions to make modifications to existing facilities and equipment necessary to limit personal exposure to hazardous substances, as regulated by the federal Occupational Safety and Health Administration under Code of Federal Regulations, title 29, part 1910, subpart Z; or is determined by the commissioner to present a significant risk to district staff or student health and safety as a result of foreseeable use, handling, accidental spill, exposure, or contamination.

(b) A fire and life safety plan must contain a description of the current fire and life safety code violation violations, a plan for the removal or repair of the fire and life safety hazard, and a description of safety preparation and awareness procedures to be followed until the hazard is fully corrected.

~~A life safety plan must contain a description of the life safety hazard and a plan for its removal or repair.~~

(c) A facilities and equipment violation plan must contain provisions to correct health and safety hazards as provided in department of labor and industry standards pursuant to section 182.655.

(d) A health, safety, and environmental management plan must contain a description of training, record keeping, hazard assessment, and program management as defined in section 12.

(e) A plan to test for and mitigate radon produced hazards.

Sec. 15. Minnesota Statutes 1992, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual marginal cost pupil units in the district for the school year to which the levy is attributable, to ~~\$3.515~~ 50 percent of the equalizing factor.

Sec. 16. Minnesota Statutes 1992, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for approved expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to

storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01, *labor and industry regulated facility and equipment hazards, and health, safety, and environmental management*. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms. The revenue may not be used for a building or property or part of a building or property used for post-secondary instruction or administration or for a purpose unrelated to elementary and secondary education.

Sec. 17. Minnesota Statutes 1992, section 124.83, is amended by adding a subdivision to read:

Subd. 8. [HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT COST.] (a) A district's cost for health, safety, and environmental management is limited to the lesser of:

- (1) actual cost to implement their plan; or*
- (2) an amount determined by the commissioner, based on enrollment, building age, and size.*

(b) Effective July 1, 1993, the department of education may contract with regional service organizations, private contractors, Minnesota safety council, or state agencies to provide management assistance to school districts for health and safety capital projects. Management assistance is the development of written programs for the identification, recognition and control of hazards, and prioritization and scheduling of district health and safety capital projects.

(c) Notwithstanding paragraph (b), the department may approve revenue, up to the limit defined in paragraph (a) for districts having an approved health, safety, and environmental management plan that uses district staff to accomplish coordination and provided services.

Sec. 18. Minnesota Statutes 1992, section 124.85, subdivision 1, is amended to read:

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

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

- (1) insulation of the building structure and systems within the building;
- (2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) automatic energy control systems;
- (4) heating, ventilating, or air conditioning system modifications or replacements;
- (5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ~~ten~~ 25 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Sec. 19. Minnesota Statutes 1992, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~ten~~ 25 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~ten~~ 25 years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Sec. 20. Minnesota Statutes 1992, section 124.85, subdivision 5, is amended to read:

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than ~~one-tenth~~ *one-twentyfifth* of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ~~ten-year~~ *25-year* term from the date of the first operation.

Sec. 21. Minnesota Statutes 1992, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the ~~required~~ *eligible* debt service ~~levy~~ *revenue* of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, ~~excluding obligations under section 124.2445~~, of the district

for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, *lease purchase payments under section 124.91, subdivisions 2 and 3, minus*

(2) the amount of debt service excess *levy reduction* for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; and

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24.

Sec. 22. Minnesota Statutes 1992, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) The following portions of a district's debt service levy qualify for debt service equalization:

(1) debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bonds issued after July 1, 1992, for construction projects that have received a positive review and comment according to section 121.15, if the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

(b) The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:

(i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or

(ii) is eligible for sparsity revenue.

(c) The criterion described in section 124.431, subdivision 2, paragraph (a), clause (9), does not apply to bonds authorized by elections held before July 1, 1992.

(d) Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2, to qualify.

Sec. 23. Minnesota Statutes 1992, section 124.95, subdivision 2a, is amended to read:

Subd. 2a. [NOTIFICATION.] A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount

of its intended debt service ~~levy~~ *revenue* calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Sec. 24. Minnesota Statutes 1992, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the ~~required~~ *eligible* debt service ~~levy~~ *revenue* minus the amount raised by a levy of ten percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 25. Minnesota Statutes 1992, section 124.95, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the ~~actual~~ *marginal cost* pupil units in the district for the year prior to the year the levy is certified; to

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 26. Minnesota Statutes 1992, section 124.961, is amended to read:

124.961 [DEBT SERVICE APPROPRIATION.]

(a) \$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$17,000,000 in fiscal year 1994 and ~~\$21,000,000~~ \$26,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. *The 1994 appropriation includes \$3,000,000 for 1993 and \$14,000,000 for 1994.*

(b) ~~These amounts~~ *The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.*

Sec. 27. [CAPITAL LOAN; NETT LAKE SCHOOL DISTRICT.]

Subdivision 1. [LOAN APPROVAL.] A capital loan in an amount not to exceed \$7,968,000 to independent school district No. 707, Nett Lake, is approved.

Subd. 2. [APPROPRIATION.] An amount equal to the amount of the loan approved in subdivision 1 is appropriated from the maximum effort school loan fund.

Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND BONDS.] To provide the money appropriated in subdivision 2 from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$7,968,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 28. [GRANT COUNTY PROJECT.]

Subdivision 1. [GRANT APPROVAL.] \$6,000,000 in fiscal year 1994 is appropriated from the bond proceeds fund to the commissioner of education for a cooperative secondary facilities grant. Notwithstanding anything to the contrary in Minnesota Statutes, sections 124.491 to 124.494, the commissioner of education shall award the grant to the group of districts that make up the Grant county project, consisting of independent school district Nos. 209, Kensington; 262, Barrett; 263, Elbow Lake-Wendell; and 265, Hoffman. The group of districts must enter into a joint power agreement and must comply with Minnesota Statutes, section 124.494, subdivisions 5 and 6.

Subd. 2. [STATE BOND AUTHORIZATIONS.] To provide money for the cooperative secondary facilities grant under this section, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$6,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 29. [PLANNING AND EXPENSES.]

\$100,000 in fiscal year 1994 is appropriated from the general fund to the commissioner of education for a grant and administrative expenses to facilitate planning for cooperative secondary facilities for independent school district Nos. 341, Atwater, 461, Cosmos, and 464, Grove City, acting under a joint powers agreement.

Sec. 30. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall replace the term "capital expenditure facilities" with the term "infrastructure maintenance" wherever it appears in the education code.

Sec. 31. [FACILITY REVENUE USE.]

Notwithstanding section 124.243, subdivision 6, for fiscal year 1994, a district may use up to one-third of its capital expenditure facilities revenue for equipment uses under section 124.244.

Sec. 32. [LEASE LEVY FOR ADMINISTRATIVE SPACE.]

Each year, upon approval of the commissioner of education, independent school district No. 709, Duluth, may levy the amount necessary to rent or lease administrative space so that space being used for administrative purposes as of the effective date of this section can be used for instructional purposes. In granting approval under this section, the commissioner must determine that the overall lease levy for the district would not be higher than it would have been under Minnesota Statutes, section 124.91, subdivision 1.

Sec. 33. [EXCEPTION TO LEASE LIMIT.]

Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Upon approval by the commissioner of education, the district may levy for as many years as required under the agreement the amount necessary to make payments required by the agreement. To obtain approval from the commissioner, the district must demonstrate substantial collaboration with the city in the use of the facility. The city must also agree to contribute \$100,000 toward the cost of the education portion of the facility. The amount of the levy shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of determining the district's debt service equalization aid.

Sec. 34. [SCHOOL AND DAY CARE RADON TESTING; EVALUATION AND MITIGATION REPORT.]

Subdivision 1. [RADON TESTING.] The commissioner of health shall coordinate with the commissioners of human services, education, and jobs and training to administer a school and day care radon testing program. All public and nonpublic school buildings housing students in early childhood through grade 12, all licensed child day care centers, and all head start and learning readiness program facilities must be tested for radon by September 30, 1995. By December 31, 1993, the commissioner of health shall establish technical standards for the radon testing program including quality control and testing protocol. By December 31, 1993, the commissioner of education shall develop and administer a plan for training testers, acquiring test equipment, and distributing the test equipment to all of the facilities required to be tested. Each facility must use appropriate commercial radon testing materials listed by the United States Environmental Protection Agency Radon Measurement Proficiency Program and follow the manufacturer's directions on testing methods and the duration of the test.

Subd. 2. [REPORTING.] By December 31, 1995, each facility must report the results to the commissioner of health in a form prescribed by the commissioner. If the facility has already conducted a radon test at its present location, another test does not need to be conducted if the facility reports the results to the commissioner of health. The results from each school tested must also be reported to the school district.

Subd. 3. [NOTICE.] The commissioner of health shall coordinate with the commissioners of human services, education, and jobs and training to provide written notice to each facility under subdivision 1 of the obligation to test for radon. Notice must also be given to each facility encouraging the facility to mitigate any excessive radon level detected. The written notice to schools must include the United States Environmental Protection Agency Protocol for Radon testing in schools.

Subd. 4. [EVALUATION AND MITIGATION REPORT.] By July 1, 1996, the commissioner of health shall report, in coordination with the commissioners of human services, education, and jobs and training, to the legislature with a recommendation for mitigating excessive levels of radon in buildings required to be tested under subdivision 1. The report must summarize available radon testing information reported under subdivision 1, address the

need for mitigation, describe appropriate mitigation procedures, estimate mitigation costs, and make recommendations that identify sources of funds for mitigation and apportion public and private responsibility for mitigation costs.

Sec. 35. [APPROPRIATION TRANSFER.]

Notwithstanding the provisions of section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount and the projected deficit in the appropriation for debt service aid must be determined and the transfer made as of November 1, 1994. The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committee of the house of representatives and education committee of the senate.

Sec. 36. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [INFRASTRUCTURE MAINTENANCE AID.] For infrastructure maintenance aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$74,859,000 1994

\$81,016,300 1995

The 1994 appropriation includes \$10,730,000 for 1993 and \$64,129,000 for 1994.

The 1995 appropriation includes \$11,316,300 for 1994 and \$69,700,000 for 1995.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,842,300 1994

\$42,600,000 1995

The 1994 appropriation includes \$5,279,000 for 1993 and \$31,563,300 for 1994.

The 1995 appropriation includes \$5,570,000 for 1994 and \$37,030,000 for 1995.

Subd. 4. [HEALTH AND SAFETY AID.] (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000 1994

\$18,924,000 1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) For fiscal year 1995, the sum of total health and safety revenue and levies under section 15 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount.

(c) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 17, subdivision 8, clause (b).

Subd. 5. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:

\$17,018,000 1994

\$26,000,000 1995

Sec. 37. [EFFECTIVE DATE.]

Sections 3 to 9 are effective for revenue for fiscal year 1995.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1992, section 120.0621, is amended by adding a subdivision to read:

Subd. 3a. [CANADIAN PUPILS.] A pupil who resides in Canada may enroll in a Minnesota school district if the province in which the pupil resides pays tuition to the school district in which the pupil is enrolled. A pupil may enroll either full-time or part-time for all instructional programs and shall be considered eligible for all other purposes for all other programs offered by the district. The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1. A school district may accept funds from any international agency for these programs.

Sec. 2. Minnesota Statutes 1992, section 121.912, subdivision 6, is amended to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] (a) A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

(b) A district that has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, may make permanent transfers between any of the funds in the district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund for up to one year prior to the effective date of combination under sections 122.241 to 122.248.

Sec. 3. Minnesota Statutes 1992, section 121.931, subdivision 5, is amended to read:

Subd. 5. [SOFTWARE DEVELOPMENT.] The state board, with the advice of the ~~ESV computer council~~, *commissioner* shall provide for the development of applications software for ESV-IS and SDE-IS. ~~The state board may provide state or federal funds for the development of software for an alternative management information system only if it determines that this system may have statewide applicability. Notwithstanding the foregoing, the state board may, for innovative projects involving computers, approve grants to districts pursuant to title IV of the Elementary and Secondary Education Act of 1965 as amended, or any other appropriate statute. The commissioner may charge school districts or regional organizations for the actual cost of software development used by the district or regional entity. Any amount received is annually appropriated to the department of education for this purpose.~~

Sec. 4. Minnesota Statutes 1992, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] A referendum on the question of combination shall be conducted during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted ~~the following school year~~. If the referendum fails again, the districts shall modify their cooperation and combination plan. A third referendum may be conducted. If a second or third referendum is conducted after October 1, the newly combined district may not levy under section 124.2725 until the following year. Referendums shall be conducted on the same date in all districts.

Sec. 5. Minnesota Statutes 1992, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: ~~management information center subsidies, according to section 121.935;~~ reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.2715, subdivision 2; school lunch aid, according to section 124.646; tribal contract school aid, according to section 124.85; hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 6. Minnesota Statutes 1992, section 124.2725, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION REVENUE.] Cooperation and combination revenue equals, ~~for each resident and nonresident pupil receiving instruction in a cooperating or combined district, \$100 times the actual pupil units served in the district. For purposes of this section, pupil~~

units served means the number of resident and nonresident pupil units in average daily membership receiving instruction in the cooperating or combined district. A district may not receive revenue under this section if it levies under section 124.912, subdivision 4.

Sec. 7. Minnesota Statutes 1992, section 124.2725, subdivision 4, is amended to read:

Subd. 4. [INCREASING LEVY.] (a) For districts that *did not enter into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and that combine without cooperating, the percentage in subdivision 3, clause (2), shall be:*

- (1) 50 percent for the first year of combination; and
- (2) 25 percent for the second year of combination.

(b) For districts that *entered into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating, the percentages in subdivision 3, clause (2), shall be:*

- (1) 100 percent for the first year of combination;
- (2) 75 percent for the second year of combination;
- (3) 50 percent for the third year of combination; and
- (4) 25 percent for the fourth year of combination.

(c) For districts that *combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:*

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the first year of combination;
- (3) 50 percent for the second year of combination; and
- (4) 25 percent for the third year of combination.

(e) (d) For districts that *combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:*

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the second year of cooperation;
- (3) 50 percent for the first year of combination; and
- (4) 25 percent for the second year of combination.

Sec. 8. Minnesota Statutes 1992, section 124.2725, subdivision 5, is amended to read:

Subd. 5. [COOPERATION AND COMBINATION AID.] (a) Districts that *did not enter into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.*

(b) *Districts that entered into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating shall receive cooperation and combination aid for the first four years of combination. Aid must not be paid after four years of combining.*

(c) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. Aid shall not be paid after three years of combining.

(d) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. Aid shall not be paid after two years of combining.

(e) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.

Sec. 9. Minnesota Statutes 1992, section 124.2725, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid according to the following:

(1) for districts that *did not enter into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating*, \$100 times the actual pupil units served in the district in the first year of combination; or

(2) for districts that combine after one year of cooperation, \$100 times the actual pupil units served in each district for the first year of cooperation, ~~for each resident and nonresident pupil receiving instruction in the cooperating district,~~ and \$100 times the actual pupil units served in the combined district for the first year of combination; or

(3) for districts that *entered into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating*, \$100 times the actual pupil units in each district for the first two years of combination; or

(4) for districts that combine after two years of cooperation, \$100 times the actual pupil units served in each district for the first year of cooperation, ~~for each resident and nonresident pupil receiving instruction in the cooperating district,~~ and \$100 times the actual pupil units served in the combined district for the first year of combination.

Sec. 10. Minnesota Statutes 1992, section 124.2725, subdivision 10, is amended to read:

Subd. 10. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units served. Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units served in the districts.

Sec. 11. Minnesota Statutes 1992, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [~~REVENUE FOR EXTENDED COOPERATION ADJUSTMENT.~~] If the state board disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, ~~cooperation and combination revenue shall equal \$50 times the actual pupil units.~~ Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been \$50 times the actual pupil units. If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been \$50 times the actual pupil units. ~~A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2724 and 124.575.~~

Sec. 12. Minnesota Statutes 1992, section 124.2727, is amended to read:

124.2727 [~~INTERMEDIATE SCHOOL DISTRICT COOPERATION REVENUE.~~]

Subd. 6. [LEVY AUTHORITY.] (a) For fiscal years prior to fiscal year ~~1996~~ 1995, an intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for special education and secondary vocational education for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) Five-elevenths of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) When a school district joins or withdraws from an intermediate school district after July 1, 1991, the department of education shall recalculate the levy certified for taxes payable in 1989, for the purpose of determining the levy amount authorized under paragraph (a), clause (1), to reflect the change in membership of the intermediate school district. The department shall recalculate the levy as though the intermediate school district had certified the maximum permitted levy for taxes payable in 1989.

This subdivision expires July 1, ~~1995~~ 1994.

Subd. 6a. [DISTRICT COOPERATION REVENUE.] *A district's cooperation revenue is equal to the greater of \$50 times the marginal cost pupil units or \$25,000.*

Subd. 6b. [DISTRICT COOPERATION LEVY.] *To receive district cooperation revenue, a district may levy an amount equal to the district's*

cooperation revenue multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the marginal cost pupil units in the district for the school year to which the levy is attributable to \$3,500.

Subd. 6c. [DISTRICT COOPERATION AID.] A district's cooperation aid is the difference between its district cooperation revenue and its district cooperation levy. If a district does not levy the entire amount permitted, aid must be reduced in proportion to the actual amount levied.

Subd. 6d. [REVENUE USES.] A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

Subd. 7. [CERTIFICATES OF INDEBTEDNESS.] After a levy has been certified according to subdivision 6, an intermediate school board may issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.

Subd. 8. [ADDITIONAL LEVY AUTHORITY.] (a) A district that is a member of intermediate school district No. 287 on July 1, 1993, may levy an additional amount equal to \$17 times the number of marginal cost pupil units in the district for the year the levy is attributable.

(b) A district that is not a member of intermediate school district No. 287 on July 1, 1993, may levy for taxes payable in 1995, \$5 times the number of marginal cost pupil units; for taxes payable in 1996, \$9 times the number of marginal cost pupil units; for taxes payable in 1997, \$13 times the number of marginal cost pupil units and for taxes payable in 1998 and thereafter, \$17 times the number of marginal cost pupil units in the district for the year for which the levy is attributable.

(c) The levy revenue under this subdivision must be used according to subdivision 6d. Of the levy revenue under subdivision 8, paragraph (b), at least 55 percent must be spent on secondary vocational programs.

Sec. 13. Minnesota Statutes 1992, section 124.914, is amended by adding a subdivision to read:

Subd. 4. [1992 OPERATING DEBT.] (a) Each year, a district that has filed a plan pursuant to section 121.917, subdivision 4, may levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the greater of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 122.531, subdivision 4a, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 14. [124C.60] [CAPITAL FACILITIES AND EQUIPMENT GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have a cooperation and combination plan approved by the state board of education under section 122.242, may apply for a grant of up to \$100,000 under this section. The grant must be awarded after the districts combine according to sections 122.241 to 122.248.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. [USE OF GRANT MONEY.] The grant money may be used for any capital expenditures specified in section 124.243 or 122.244.

Sec. 15. [EDUCATION DISTRICT LEVY ADJUSTMENT FOR FISCAL YEAR 1994.]

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.2721, subdivision 3, in 1992 for taxes payable for 1993 may levy in 1993 for taxes payable in 1994 up to an amount equal to:

(1) the difference between \$50 times the actual pupil units for fiscal year 1994 of the education district for which the school district belonged, and the amount of the education district levy calculated according to Minnesota Statutes, section 124.2721, subdivision 3, for fiscal year 1994, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the education district.

The amount of the levy permitted under this section must be transferred to the education district board under Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 16. [SECONDARY VOCATIONAL COOPERATIVE LEVY ADJUSTMENT FOR FISCAL YEAR 1994.]

(a) Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.575, subdivision 3, in 1992 for taxes payable for 1993 may levy in 1993 for taxes payable in 1994 up to an amount equal to:

(1) the difference between \$20 times the actual pupil units for fiscal year 1994 of the secondary vocational cooperative for which the school district belonged, and the amount of the secondary vocational cooperative levy

calculated according to Minnesota Statutes, section 124.575, subdivision 3, for fiscal year 1994, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the secondary vocational cooperative.

(b) The amount of the levy permitted under this section shall be transferred to the secondary vocational cooperative board according to Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 17. [FIRST YEAR OF COOPERATION SPECIFIED.]

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school district Nos. 918, Chandler-Lake Wilson, and 504, Slayton, is fiscal year 1993.

Sec. 18. [REFERENDUM EXCEPTION.]

Notwithstanding Minnesota Statutes, section 122.243, subdivision 2, a referendum on the question of combination may be held in independent school district No. 893, Echo, any time after the state board approves its plan for cooperation and combination.

Sec. 19. [ALTERNATIVE REFERENDUM COMBINATION METHOD.]

(a) Notwithstanding Minnesota Statutes, sections 122.531 and 122.247, subdivision 1, if independent school district Nos. 233, Preston-Fountain, and No. 228, Harmony, consolidate effective July 1, 1995, the referendum revenue authorization for the new district created by that consolidation may be any local tax rate that would raise an amount for the first year that does not exceed the combined dollar amount of the referendum revenues authorized by each of the component districts for fiscal year 1995.

(b) Referendum revenue authorization may be calculated under paragraph (a) only if:

(1) independent school district Nos. 233, Preston-Fountain, and No. 228, Harmony, specify the dollar amount of the referendum revenue authority for the consolidated district and the number of years that the referendum revenue authorization is in effect in the cooperation and combination plan adopted under Minnesota Statutes, section 122.242; and

(2) the referendum information in clause (1) is included in the summary of the plan that is published in the official newspaper of each district under Minnesota Statutes, section 122.242, subdivision 1.

(c) If the dollar amount of referendum revenue authority required under paragraph (b), clause (1), is not available at the time the cooperation and combination plan is submitted to the department of education, the districts may use an estimate calculated by the department.

Sec. 20. [REORGANIZATION-OPERATING DEBT LEVY IN TAYLORS FALLS-CHISAGO LAKES COMBINATION.]

Notwithstanding Minnesota Statutes 1992, section 122.531, subdivision 4a, or any other law to the contrary, any reorganization operating debt levy contained in the approved cooperation and combination plan for independent school district No. 140, Taylors Falls, and independent school district No. 141, Chisago Lakes, may be certified over a period of seven years.

Sec. 21. [RETIRED EMPLOYEE HEALTH BENEFITS LEVY.]

Subdivision 1. Notwithstanding any other law to the contrary, in the consolidated school district consisting in whole or in part of former independent school district No. 692, Babbitt, and independent school district No. 710, St. Louis county, any amount levied under section 124.916, subdivision 2, or any other law to pay the health insurance or unreimbursed medical expenses of the former independent school district No. 692, may only be certified and spread on property which was taxable in the former independent school district No. 692.

Subd. 2. Any reduction in the levy of the consolidated school district consisting in whole or in part of former independent school district No. 692 and independent school district No. 710 under section 124.918, subdivision 8, must be applied first to the levy in subdivision 1 and then to any remaining levy as provided under section 124.918, subdivision 8.

Sec. 22. [VERDI DISSOLUTION; REFERENDUM REVENUE.]

Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, as of the effective date of the dissolution of independent school district No. 408, Verdi, and the attachment of part of its territory to independent school district No. 404, Lake Benton, the authorization for all referendum revenues previously approved by the voters of school district No. 404, Lake Benton, is the tax rate times the net tax capacity of the enlarged independent school district No. 404. Any new referendum revenue is authorized only after approval is granted by the voters of the entire enlarged district in an election under Minnesota Statutes, section 124A.03, subdivision 2.

Sec. 23. [INTERMEDIATE GOVERNANCE STRUCTURE AND TRANSITION.]

Subdivision 1. [PLAN.] School districts, based on the planning process required under Laws 1992, chapter 499, article 6, section 33, may either purchase goods and services through informal cooperative arrangements or may enter into agreements through Minnesota Statutes, section 471.59, to act cooperatively.

Subd. 2. [TRANSITION.] Any unresolved disputes regarding the allocation of assets and liabilities resulting from the repeal of the enabling legislation for various entities by Laws 1992, chapter 499, article 6, section 39, subdivision 3, or by section 25 and not governed by the applicable agreement or enabling legislation for that entity may be appealed by any party to the dispute to the commissioner of education. The determination of the commissioner shall be final and binding.

Sec. 24. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

\$3,516,000 1994

\$3,979,000 1995

The 1994 appropriation includes \$591,000 for 1993 and \$2,925,000 for 1994.

The 1995 appropriation includes \$516,000 for 1994 and \$3,463,000 for 1995.

Subd. 3. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) For educational cooperative service units:

\$733,000 1994

\$110,000 1995

The 1994 appropriation includes \$110,000 for fiscal year 1993 and \$623,000 for fiscal year 1994.

The 1995 appropriation includes \$110,000 for 1993.

Subd. 4. [DISTRICT COOPERATION REVENUE.] For cooperation revenue according to section 12:

\$9,778,000 1995

The 1995 appropriation assumes an entitlement of \$11,503,500 for fiscal year 1995.

Subd. 5. [MANAGEMENT INFORMATION CENTERS.] For management information subsidies:

\$3,275,000 1994

Sec. 25. [REPEALER.]

(a) Minnesota Statutes 1992, sections 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; and 124.575, subdivisions 2 and 4; 124.912, subdivisions 4 and 5, are repealed. Minnesota Statutes 1990, chapter 136D, as amended, sections 121.935; 122.91 to 122.95; 123.351; and 123.58 expire as of July 1, 1995.

(b) Laws 1992, chapter 499, article 6, section 33, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 3 and 4 are effective July 1, 1994. Section 11 is effective for revenue for fiscal year 1995. Section 21, subdivisions 1 and 2, are effective for taxes payable in 1994 and thereafter. Section 25, paragraph (b), is effective June 30, 1995.

ARTICLE 7

COMMITMENT TO EXCELLENCE

Section 1. [PURPOSE.]

The purpose of this article is to implement the mission of public education in Minnesota as stated below through innovation and systemic restructuring.

The mission of public education in Minnesota, a system for lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision-making, ensures accountability, models democratic principles, creates and sustains a

climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners.

Sec. 2. Minnesota Statutes 1992, section 120.105, is amended to read:

120.105 [EDUCATION STATEMENT.]

Each year every school, as defined in section 120.101, subdivision 4, offering a kindergarten program must ensure that the school principal, kindergarten teacher, or other professional, discusses and distributes the following statement to every parent, guardian, or other person enrolling a child in kindergarten:

“The state of Minnesota requires that every child entering kindergarten this school year must graduate from high school or remain in high school or in an alternative program until age 18. Only those who have been accepted in the military or an institution of higher learning can leave school before they are 18 years old.”

The department of education must make appropriate provisions to accommodate those children who newly enroll in a public school after kindergarten. All other schools must make similar provisions. *The principal, teacher, or other professional must also discuss the goals, outcomes, and standards of the school and expectations of all children with the parent.*

Sec. 3. [121.602] [EDUCATIONAL EFFECTIVENESS PROGRAM.]

Subdivision 1. [PROGRAM OUTCOMES.] The outcomes of the educational effectiveness program are to:

- (1) increase meaningful parental involvement in site-based decision making;*
- (2) improve results-oriented instructional processes;*
- (3) create flexible school-based organizational structures; and*
- (4) improve student achievement.*

Subd. 2. [ADVISORY TASK FORCE; PROGRAM IMPLEMENTATION.] The commissioner of education shall develop and maintain a program of educational effectiveness and results-oriented instruction. The commissioner may appoint an advisory task force to assist the department of education in developing an implementation program for providing staff development to school district staff in educational effectiveness. The program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The program shall take into account the diverse needs of the school districts due to such factors as district size and location.

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall annually provide for independent evaluation of the effectiveness of this section. The evaluation shall measure the extent to which the outcomes defined in subdivision 1 are met and the cost effectiveness of any funding for the program. The evaluation shall also determine to what extent the program has a measurable impact on student achievement at the site level.

Subd. 4. [EDUCATIONAL EFFECTIVENESS STAFF DEVELOPMENT.] The department of education shall provide assistance to the school districts in

implementing an educational effectiveness program. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. The department shall evaluate the performance of the service providers. The staff development shall be facilitated by building level decision-making teams. The staff development shall include clarification of individual school missions, goals, expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of curriculum, assessment, instructional and organizational skills, improvement of financial and management skills, and planning of other staff development programs.

Subd. 5. [SCHOOL IMPROVEMENT INCENTIVE GRANTS.] *The state board of education shall develop criteria to provide school improvement incentive grants to schools sites. The criteria must include the extent to which a site has implemented the characteristics of the educational effectiveness program and demonstrated improvement in student achievement of education outcomes. Notwithstanding any law to the contrary, the grant must remain under the control of the site decision-making team or principal at the site and may be used for any purpose determined by the team. A school board may not reduce other funding otherwise due the site. A grant may not exceed \$60,000 per site in any fiscal year.*

Sec. 4. Minnesota Statutes 1992, section 121.612, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FOUNDATION.] *There is created the Minnesota academic excellence foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public and nonpublic schools and communities through public-private partnerships. The foundation shall be a nonprofit organization. The board of directors of the foundation and foundation activities are under the direction of the state board of education.*

Sec. 5. Minnesota Statutes 1992, section 121.612, subdivision 4, is amended to read:

Subd. 4. [FOUNDATION PROGRAMS.] *The foundation may develop programs that advance the concept of educational excellence. These may include, but are not limited to:*

(a) *recognition programs and awards for students demonstrating academic excellence;*

(b) *summer institute programs for students with special talents;*

(c) *recognition programs for teachers, administrators, and others who contribute to academic excellence;*

(d) *summer mentorship programs with business and industry for students with special career interests and high academic achievements;*

(e) *governor's awards ceremonies and special campaigns to promote awareness and expectation for academic competition achievement; and*

(f) *an academic league to provide organized challenges requiring cooperation and competition for public and nonpublic pupils in elementary and secondary schools;*

(g) systemic transformation initiatives and assistance and training to community teams to increase school performance in the state's education institutions through strategic quality planning for continuous improvement, empowerment of multiple stakeholders, validation of results via customer-supplier relationships, and a total system approach based on best practices in key process areas; and

(h) activities to measure customer satisfaction for delivery of services to education institutions in order to plan for and implement continuous improvement.

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Sec. 6. Minnesota Statutes 1992, section 121.87, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT; MEMBERSHIP.] The state board of education shall appoint a 15-member community education advisory task force to promote the goals of community education and to expand educational, interscholastic and intramural athletic, recreational, and social opportunities through the maximum use of public facilities and community resources throughout the state of Minnesota. The task force shall include at least one member from each congressional district and members who represent government and professions most closely related to community education and youth development activities, functions and school administrative jurisdictions.

Sec. 7. Minnesota Statutes 1992, section 121.88, subdivision 4, is amended to read:

Subd. 4. [DUPLICATION POLICY.] Each council shall adopt a policy to reduce and eliminate program duplication within the district. *The council shall cooperate with local government units to coordinate the program expenditures from the community service fund and to assure equitable access to community service fund resources.*

Sec. 8. Minnesota Statutes 1992, section 121.88, subdivision 10, is amended to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children ~~from kindergarten through grade 6~~ for the purpose of expanding students' learning opportunities. A program ~~must~~ may include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and
- (4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program; and
- (5) cocurricular and extra curricular programs under section 123.38, and other intramural athletic programs.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or

private sources for the extended day program. The school board of the district shall develop standards for school age child care programs *if offered*. Districts with programs in operation before July 1, 1990, must adopt standards before October 1, 1991. All other Districts must adopt standards within one year after the district first offers services under a program authorized by this subdivision. The state board of education may not adopt rules for extended day programs.

Sec. 9. [121.919] [FINANCIAL MANAGEMENT ASSISTANCE AND TRAINING TO SCHOOL DISTRICTS AND SCHOOL SITES.]

The department of education shall make available to school districts and individual school sites assistance and training in financial management. The assistance and training shall be in at least the following areas:

(1) *provision of an updated uniform financial and reporting system manual in both hard copy and computerized form which will be applicable to both the school district and to a school site under site-based management;*

(2) *regularly scheduled training and assistance in accounting and financial operations, and special assistance as requested;*

(3) *long-term financial planning, including that involved with district reorganization;*

(4) *district and school level expenditure and revenue budgeting and other fiscal and organizational requirements, including that under site-based management;*

(5) *assistance with school, district, and regional capital budget planning; and*

(6) *the development of a model reporting system for school sites for resource use and outcome achievement. The model shall include characteristics about the student population, staffing levels, and achievement results attributable to the instructional and organizational structure of the school site.*

Sec. 10. Minnesota Statutes 1992, section 123.33, is amended by adding a subdivision to read:

Subd. 2a. [SCHOOL BOARD MEMBER TRAINING.] A member must receive training in school finance and management developed in consultation with the Minnesota school boards association and consistent with section 9. The school boards association shall make available to each newly-elected school board member training in school finance and management consistent with section 9 within 180 days of that member taking office. The program shall be developed in consultation with the department of education and appropriate representatives of higher education.

Sec. 11. Minnesota Statutes 1992, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A ~~public post-secondary system or private post-secondary~~ institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each ~~public post-secondary system and to each private~~ institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary ~~system or~~ institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary ~~system or~~ institution that an overpayment has been made, the ~~system or~~ institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124A.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124A.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 12. Minnesota Statutes 1992, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A ~~public post-secondary system or private post-secondary~~ institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each ~~public post-secondary system and to each private~~ institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the

change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 13. Minnesota Statutes 1992, section 123.3514, subdivision 6c, is amended to read:

Subd. 6c. [FINANCIAL ARRANGEMENTS FOR COURSES PROVIDED ACCORDING TO AGREEMENTS.] (a) The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b. For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law.

(b) If a course is provided under subdivision 4e, offered at a secondary school, and taught by a secondary teacher, the post-secondary system or institution must not require a payment from the school board that exceeds the cost to the post-secondary institution that is directly attributable to providing that course.

Sec. 14. Minnesota Statutes 1992, section 123.38, subdivision 2, is amended to read:

Subd. 2. The board shall take charge of and control all cocurricular school activities of the teachers and children of the public schools in that district held in the school building or school grounds or under the supervision or direction of the school board and to that end adopt rules and regulations for the conduct of these activities in which the schools of the district or any class or pupils therein may participate. All money received on account of such activities shall be turned over to the school district treasurer, who shall keep the same in the general community service fund or the technical colleges fund, if applicable, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the board upon properly allowed itemized claims.

No cocurricular activity shall be participated in by the teachers or pupils in the public schools of such district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 15. Minnesota Statutes 1992, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fundraising events. The general community service fund or the technical colleges fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues in the community service fund and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, no such activity shall be participated in by the teachers or pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 16. Minnesota Statutes 1992, section 123.951, is amended to read:

123.951 [SCHOOL SITE ~~MANAGEMENT~~ DECISION-MAKING AGREEMENT.]

(a) A school board may enter into an agreement with a school site ~~management~~ decision-making team concerning the governance, management, or control of any school in the district. Upon a written request from a proposed school site ~~management~~ decision-making team, an initial school site ~~management~~ decision-making team shall be appointed by the school board and may include the school principal, representatives of teachers in the school, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, or others determined appropriate by the board. The school site ~~management~~ decision-making team shall include the

school principal or other person having general control and supervision of the school.

(b) School site ~~management~~ *decision-making* agreements must ~~focus on creating management~~ *delegate powers and duties to site teams and in involving* involve staff members, students as appropriate, and parents in decision making.

(c) An agreement may include:

(1) a ~~strategic plan for districtwide decentralization of resources developed through staff participation;~~ *a mechanism to implement flexible support systems for improvement in student achievement of education outcomes;*

(2) a decision-making structure that allows teachers to identify *instructional* problems and *control and apply* the resources needed to solve them; and

(3) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how *financial and personnel* resources are best allocated and to act as *advocates for additional resources on behalf of the entire school at the site and from whom goods or services are purchased;*

(4) a mechanism to implement *parental involvement programs under section 126.69 and to provide for effective parental communication and feedback on this involvement at the site level;*

(5) a provision that would allow the team to determine who is hired into *licensed and nonlicensed positions;*

(6) a provision that would allow teachers to choose the principal or other person having general control;

(7) direct contact with other social service providers;

(8) *inservice training for site decision-making team members for financial management of school sites; and*

(9) *any other powers and duties determined appropriate by the board.*

The school board of the district remains the legal employer under clauses (5) and (6).

(d) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 17. Minnesota Statutes 1992, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan

requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one:

(b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 18. Minnesota Statutes 1992, section 124.17, is amended by adding a subdivision to read:

Subd. 2f. [PSEO PUPILS.] The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

(1) 1.00; or

(2) the greater of

(i) .12, or

(ii) the ratio of the number of hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 19. Minnesota Statutes 1992, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district operating a program pursuant to sections 120.59 to 120.67, 121.585 or 125.701 to 125.705, or operating a commissioner-designated area learning center program under section 124C.49, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule for that program throughout the calendar year so long as the number of instructional hours in the year is not less than the number of instructional hours per day specified in the rules of the state board multiplied by the minimum number of instructional days required by subdivision 1.

Sec. 20. Minnesota Statutes 1992, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8, 9, and 11, each fiscal year, all education aids and credits in this chapter and chapters 121, 123, 124A, 124B, 125, 126, 134, and section 273.1392, shall be paid at 90 percent for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 85 percent for other districts of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 21. Minnesota Statutes 1992, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, paragraph (c), which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(e) "Current year" means the school year for which aid will be paid.

(f) "Base year" means the second school year preceding the school year for which aid will be paid.

(g) "Base cost" means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in paragraph (b) plus the actual cost in the base year for excess transportation as defined in paragraph (c);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year.

(2) Raise the result in clause (1) to the one-fifth power.

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) Multiply the district's sparsity index by 20.

(2) Select the lesser of one or the result in clause (1).

(3) Multiply the district's percentage of regular FTE's transported in the current year using vehicles that are not owned by the school district by the result in clause (2).

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 22. Minnesota Statutes 1992, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved fund balance account for bus purchases in its transportation fund at least an amount equal to 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, paragraph (b), clause (4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid or levy is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the district's transportation revenue under subdivision 7d.

Sec. 23. [124.2613] [COMMUNITY COOPERATION REVENUE.]

Subdivision 1. [REVENUE.] Community cooperation revenue is equal to an amount up to \$10 times the number of children in a district 18 years and younger. The revenue is only available to the extent it is matched dollar for dollar by a local unit of government.

Subd. 2. [COMMUNITY COOPERATION LEVY.] A district's community cooperation revenue is equal to the community cooperation revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year prior to the year the levy is certified; to

(2) \$3,400.

Subd. 3. [COMMUNITY COOPERATION AID.] Community cooperation aid is equal to the difference between community cooperation revenue and community cooperation levy:

Subd. 4. [REVENUE USE.] Community cooperation revenue must be placed in a district's community service fund and may be used but is not limited to the following community service uses:

(1) expanding academic and social programs under section 121.88, section 10;

(2) subsidize participation in school age child care programs for children from families of low and moderate income;

(3) expand youth community service programs;

(4) improve the coordination of athletics between school districts and communities; and

(5) other relative uses determined by the community education advisory council.

Sec. 24. Minnesota Statutes 1992, section 124.91, subdivision 5, is amended to read:

Subd. 5. [INTERACTIVE TELEVISION.] (a) A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may ~~levy~~ apply to the commissioner of education for ITV revenue up to the greater of .5 percent of the adjusted net tax capacity of the district or ~~\$20,000~~ \$25,000 for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 1 shall apply to the ~~levy~~ ~~authority~~ revenue in this subdivision. In granting the approval, the commissioner must consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year prior to the year the levy is certified; to

(2) 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

Sec. 25. Minnesota Statutes 1992, section 124.912, is amended by adding a subdivision to read:

Subd. 8. [OUTPLACEMENT LEVY.] Upon the recommendation of a school's mentoring team, a school district may levy the amounts necessary to pay the cost of outplacement services for licensed teachers, including counseling and job search costs.

Sec. 26. Minnesota Statutes 1992, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of five percent for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and for other districts of ten percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 27. Minnesota Statutes 1992, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] General education revenue may be used during the regular school year and the summer for general and special school purposes. General education revenue and revenue under section 124A.03 may not be spent directly from the general fund for activities under section 123.38. Notwithstanding section 121.912, subdivision 1, this revenue may be transferred by board resolution to the community service fund for these activities.

Sec. 28. Minnesota Statutes 1992, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND VIOLENCE PREVENTION PARENTAL INVOLVEMENT PROGRAMS REVENUE.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 one percent in fiscal year 1994, two percent in fiscal year 1995, and thereafter times the formula allowance times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs, including outcome-based education, for the purpose of improving student achievement of education outcomes under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities. The school board shall initially allocate 70 percent of the revenue to each school site in the district on a per teacher basis. The board may retain 15 percent to be used for district wide staff development efforts. The remaining 15 percent of the revenue shall be

used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A grant may be used for any purpose determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 29. Minnesota Statutes 1992, section 124A.291, is amended to read:

124A.291 [RESERVED REVENUE FOR CAREER CERTAIN TEACHER PROGRAM.]

A district that has a career teacher program or a mentor-teacher program may reserve part of the basic revenue under section 124A.22, subdivision 2, for the district's share, according to section 124.276, of the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Sec. 30. [124A.292] [STAFF DEVELOPMENT INCENTIVE.]

Subdivision 1. [ELIGIBILITY.] A school site is eligible for revenue under this section if it has implemented an outplacement program on an ongoing basis to counsel staff and has implemented a program according to section 125.231.

Subd. 2. [REVENUE.] Staff development incentive revenue is equal to the number of teachers at the site times \$25.

Subd. 3. [STAFF DEVELOPMENT LEVY.] A district's levy equals its revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Subd. 4. [STAFF DEVELOPMENT AID.] A district's aid equals its revenue minus its levy times the ratio of the actual amount levied to the permitted levy.

Subd. 5. [USE.] The revenue must be used at the site for staff development purposes.

Sec. 31. Minnesota Statutes 1992, section 124C.48, is amended by adding a subdivision to read:

Subd. 3. [ADDITIONAL AID.] A center shall receive additional state aid equal to \$6.50 times the number of students enrolled at the center.

Sec. 32. Minnesota Statutes 1992, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in kindergarten, elementary, secondary, or special education programs.

(c) ~~Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure specific skills.~~

Sec. 33. Minnesota Statutes 1992, section 125.138, is amended to read:

125.138 [FACULTY EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program of faculty exchange is *collaboration shall be established* to allow school districts and post-secondary institutions to arrange temporary exchanges *between members of their instructional staffs placements in each other's institutions*. These arrangements must be made on a voluntary cooperative basis between a school district and post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur among campuses in the same system or in different systems.

Subd. 2. [USES OF PROGRAM.] Each participating school district and post-secondary institution may determine the way in which the *instructional staff member's time is to be used*, but it must be in a way that promotes understanding of the needs of each educational system or institution. For example, a public school *teacher educator* may teach courses, provide counseling and tutorial services, assist with the preparation of future *teachers educators*, or take professional development courses. A post-secondary teacher might teach *advanced placement courses or other classes to aid an underserved population* at the school district, counsel students about future educational plans, or work with teachers to *better prepare students for post-secondary education in school administration*. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. [SALARIES; BENEFITS; CERTIFICATION.] *Exchanges Temporary placements* made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding sections 123.35, subdivision 6, and 125.04, a member of the *instructional staff* of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed *teacher educator* employed by a school district may teach or perform a service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary *instructional staff member educator* to

teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and post-secondary institution before implementation.

Subd. 4. [EDUCATORS' EMPLOYMENT; CONTINUATION.] An educator who held a temporary position or an exchanged position under section 125.138 shall be continued in or restored to the position previously held, or to a position of like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan shall not be reduced because of time spent on an exchange or temporary position under section 125.138.

Subd. 5. [ENTITLEMENT TO BENEFITS AND POSITION.] An educator who is continued in or restored to a position in accordance with subdivision 4:

- (1) shall be continued or restored without loss of seniority; and*
- (2) may participate in insurance or other benefits offered by the employer under its established rules and practices.*

Subd. 6. [GRANTS.] The department of education shall award grants to public post-secondary teacher preparation programs and school districts that collaborate on staff exchanges or temporary placements. One institution must be identified as the fiscal agent for the grant.

Subd. 7. [PURPOSE OF THE GRANTS.] School districts and post-secondary institutions are encouraged to collaborate by allowing educators to exchange positions, team teach, or hold temporary positions of no longer than one academic year in the other's institutions. No loss of salary or benefits shall occur. Grants shall be used to ensure no loss of status, retirement, and insurance benefits.

Subd. 8. [APPLICATION PROCESS.] The department of education shall develop and publicize the process by which school districts, the University of Minnesota and its campuses, and the state universities which have teacher and administrator preparation programs may apply for grants.

Subd. 9. [CRITERIA.] The department of education shall evaluate proposals using the following criteria:

- (1) evidence of collaborative arrangements between post-secondary educators and early childhood through grade 12 educators;*
- (2) evidence that outstanding early childhood through grade 12 educators will be involved in post-secondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some post-secondary courses;*
- (3) evidence that post-secondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; and*
- (4) evidence of adequate financial support from employing and receiving institutions.*

Subd. 10. [EVALUATION.] The department of education shall evaluate the results of the grants provided under subdivision 6 and make recommendations

to the legislature and governor regarding future funding in the 1995 biennial budget document.

Subd. 11. [GRANT LIMITATIONS; PROPOSALS.] All grants shall be for salary and benefit costs beyond those normally covered by each of the institutions involved in the exchange or temporary assignment. Staff exchanging positions or placed in temporary assignments shall not suffer loss of salary, benefits, or retirement benefits. A grant from the department of education shall cover 50 percent of the excess costs with the remainder of the excess costs shared equally by the school district and the post-secondary institution.

Sec. 34. [125.230] [TEACHING RESIDENCY PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A school district with a teaching residency plan approved by the board of teaching may hire graduates of approved Minnesota teacher preparation programs as teaching residents. A district shall employ each resident for one school year. The district and the resident may agree to extend the residency for one additional school year. A school may employ no more than one teaching resident for every eight full-time equivalent licensed teachers.

Subd. 2. [TEACHER ELIGIBILITY.] Persons eligible to be hired as teaching residents must have received their initial license no more than two years prior to applying for a residency and must have less than nine months of full-time equivalency teaching experience as a licensed teacher.

Subd. 3. [PROGRAM COMPONENTS.] In order to be approved by the board of teaching, a school district's residency program must at minimum include:

- (1) training to prepare teachers to serve as mentors to teaching residents;*
- (2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments;*
- (3) ongoing peer coaching and assessment;*
- (4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and*
- (5) involvement of resource persons from higher education institutions, career teachers, and other community experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.*

A teaching resident shall not be given direct classroom supervision responsibilities that exceed 80 percent of the instructional time required of a full-time equivalent teacher in the district. During the remaining time, a teaching resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team.

Subd. 4. [EMPLOYMENT CONDITIONS.] A school district shall pay a teaching resident a salary equal to 75 percent of the statewide average salary of a first-year teacher with a bachelor's degree. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this

subdivision. The school district shall provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Subd. 5. [APPLIES TOWARD PROBATIONARY PERIOD.] A teaching residency shall count as one year of a teacher's probationary period under section 125.12, subdivision 3, or section 125.17, subdivision 2. A residency extended for one year shall not count as an additional year under this subdivision.

Subd. 6. [LEARNING AND DEVELOPMENT REVENUE ELIGIBILITY.] A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district shall not use a teaching resident to replace an existing teaching position.

Subd. 7. [REQUIREMENT FOR LICENSURE.] Beginning with students completing teacher preparation programs in the 1997-1998 school year, successful completion of a teaching residency shall be a requirement for continuing licensure for all newly licensed teachers in Minnesota. The board of teaching shall develop model teaching residency programs, teaching residency outcomes, a statewide assessment to be required of all teaching residents upon completion of a residency, and criteria for mentoring programs. The board shall begin piloting the outcomes, assessments, and mentoring criteria in the 1995-1996 school year.

Sec. 35. 125.231 [TEACHER ASSISTANCE THROUGH MENTORSHIP PROGRAM.]

Subdivision 1. [TEACHER MENTORING PROGRAM PROGRAMS.] School districts are encouraged to participate in a competitive grant program that explores develop teacher mentoring programs for teachers new to the profession or district, or for including teaching residents, teachers with special needs, or experienced teachers in need of peer coaching.

Subd. 2. [TEACHER MENTORING TASK FORCE.] The commissioner board of teaching shall appoint and work with a teacher mentoring task force including representatives of the two teachers unions, the two principals organizations, school boards association, administrators association, board of teaching department of education, parent teacher association, post-secondary institutions, foundations, and the private sector. Representation on the task force by populations of color shall reflect the proportion of people of color in the public schools.

The task force shall:

- (1) develop the application forms, criteria, and procedures for the grants for mentorship program programs;
- (2) select sites to receive mentorship grant funding; and
- (3) provide ongoing support and direction for mentorship program implementation in school districts, including those that do not receive mentorship grants.

Subd. 3. [APPLICATIONS.] The commissioner of education board of teaching shall make application forms available to sites interested in devel-

oping or expanding a mentorship program. A school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. The ~~commissioner~~ *board of teaching*, in consultation with the teacher mentoring task force, shall approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring components, include a variety of coalitions and be geographically distributed throughout the state. The ~~commissioner of education~~ *board of teaching* shall encourage the selected sites to consider the use of ~~the~~ *its* assessment procedures ~~developed by the board of teaching~~.

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts.

Subd. 5. [ADDITIONAL FUNDING.] Applicants are required to seek additional funding and assistance from sources such as school districts, post-secondary institutions, foundations, and the private sector.

Subd. 7. [PROGRAM IMPLEMENTATION.] New and expanding mentorship sites that are funded to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation. The ~~department of education~~ *board of teaching* must provide resources and assistance to support new sites in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media, training, conferences, institutes, and regional and statewide networking meetings. Nonfunded schools or districts interested in getting started may participate in ~~some activities and services~~. Fees may be charged for meals, materials, and the like.

Sec. 36. Minnesota Statutes 1992, section 126.22, subdivision 8, is amended to read:

Subd. 8. [ENROLLMENT VERIFICATION.] (a) For a pupil attending an eligible program full time under subdivision 3, paragraph (d), the department of education shall pay 88 percent of the basic revenue of the district to the eligible program and 12 percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment using the form provided by the department. For a pupil attending an eligible program part time, basic revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly. A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made for a pupil under this

subdivision, a school district shall not reimburse a program under section 126.23 for the same pupil.

(b) The department of education shall pay 100 percent of the basic revenue to the eligible program if there is an agreement to that effect between the school district and the eligible program.

Sec. 37. [126.685] [GRADUATION RULE ACCELERATION.]

\$6,500,000 is annually appropriated to the department of education for accelerated development of the state board of education high school graduation rule. Of this amount, \$6,086,000 is from the general fund and \$414,000 is from the special revenue fund. The appropriation is to be used to fund assessment and standards pilot sites; to broaden public understanding of the rule through local public meeting and focus groups, citizens forums, and other general communication; to continue development of curriculum frameworks; for ongoing statewide assessment efforts; and to develop system performance standards. The appropriation from the special revenue fund may be used for development efforts in health-related outcomes. Any amount of this appropriation does not cancel and shall be carried forward to the following fiscal year. Notwithstanding any law to the contrary, the commissioner may contract for national expertise and related services in each of the development areas.

Sec. 38. Minnesota Statutes 1992, section 126.70, is amended to read:

126.70 [STAFF DEVELOPMENT PLAN PROGRAM.]

Subdivision 1. [~~ELIGIBILITY FOR REVENUE STAFF DEVELOPMENT COMMITTEE.~~] A school board ~~may~~ shall use the revenue authorized in section 124A.29 for in-service education for ~~violence prevention programs~~ under section 126.77, subdivision 2, or ~~if it establishes a staff development advisory committee and adopts a~~ for staff development plan under this subdivision. ~~The board must establish a staff development committee to develop the plan, to advise a site decision-making team about the plan, and evaluate staff development efforts at the site level.~~ A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators. ~~The advisory committee shall develop a staff development plan that includes related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Districts must submit approved plans shall report staff development results to the commissioner in the form and manner determined by the commissioner.~~

Subd. 2. [CONTENTS OF THE PLAN.] The plan ~~may~~ must include:

- (1) ~~procedures the district will use to analyze education needs;~~
- (2) ~~methods for integrating education needs with in-service and curricular efforts already in progress;~~
- (3) ~~education goals and outcomes under subdivision 2a, the means to achieve the goals, outcomes and~~
- (4) ~~procedures for evaluating progress at each school site toward meeting education needs and goals outcomes.~~

Subd. 2a. ~~[PERMITTED USES STAFF DEVELOPMENT OUTCOMES.]~~ A school board may approve a *The staff development committee shall adopt a staff development plan to accomplish any of the following purposes for the improvement of student achievement of education outcomes. The plan must be consistent with education outcomes determined by the school board. The plan shall include the following outcomes:*

- (1) foster readiness for learning;
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs;
- (3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;
- (4) design and develop programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;
- (5) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;
- (6) provide staff time or *mentorship oversight* for peer review of probationary, continuing contract, and nonprobationary teachers;
- (7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways; and
- (8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment; and
- (9) *teach elementary and secondary staff to effectively meet the needs of children with disabilities within the regular classroom setting.*

Sec. 39. [126...] [SCHOOL RESTRUCTURING PROGRAM.]

Subdivision 1. [......] (a) *The purpose of school district restructuring pilots is to examine practices and organizational structure for improvement of student achievement of education outcomes through site decision-making. A school district may submit an application to the department of education for school district restructuring levy authority. The authority may be for up to \$50 times the number of actual pupil units at the site. The levy is available for the fiscal year for which the pilot receives approval and for the subsequent four years. A district need only apply once for this authority. The actual amount of levy authority given shall depend on the level of power and control delegated to a site under section 123.951. The state board, upon consultation of the education chairs of the legislature, shall determine criteria for measuring this level and allocating the appropriate levy authority. The criteria may include a provision that would allow the site decision-making team to request waivers from the master contract between the school board and the collective bargaining representative in the district. Notwithstanding any law to the contrary, the state board of education and the state board of teaching may grant waivers that would apply only to a single site within the district from any board rule. The levy authority may be increased or decreased by the state board if a district changes implementation of this section. Revenue from the levy must be under the control of local site decision-making team and may be*

used for any purpose determined by the team except that part of the revenue must be used to report to the local community characteristics about education achievement and effective reduction in elementary learner-instructor ratios at the school site. Each school board must communicate the availability of this authority to each school site in the district.

(b) The local levy shall be matched dollar for dollar with state aid. The commissioner shall not approve total levy authority in excess of available state appropriations.

Subd. 2. [REPORT.] The state board shall report on the implementation of this section and learning improvement results to the education committees of the legislature on February 1 of each year. The board shall also develop model reporting forms for districts to use to report to local communities. The board shall develop these forms in consultation with the department and the chairs of the education committees of the legislature.

Sec. 40. [126B.01] [EDUCATION TO EMPLOYMENT TRANSITIONS SYSTEM PURPOSE.]

To better prepare all learners to make transitions between education and employment, a comprehensive system is established to:

(1) assist individuals in planning their futures by providing counseling and information about career opportunities;

(2) integrate opportunities for work-based learning, including occupation-specific apprenticeship programs, into the curriculum;

(3) promote the efficient use of public and private resources by coordinating elementary, secondary, and post-secondary education with related government programs; and

(4) expand educational options available to students through collaborative efforts between secondary institutions, post-secondary institutions, business, industry, labor, and other interested parties.

Sec. 41. [126B.02] [EDUCATION TO EMPLOYMENT TRANSITIONS COUNCIL.]

(a) The education to employment transitions council is established. Members of the council shall include the governor or the governor's designee, the commissioner of education, the commissioner of labor and industry, the commissioner of human services, the commissioner of jobs and training, the chancellor of the community college system, the chancellor of the technical college system, a representative of the higher education coordinating board, the executive director of the state council of vocational technical education, a representative of business, a representative of organized labor, and a representative of Minnesota Technology, Inc.

(b) The council shall:

(1) identify changes that must be made in post-secondary guidance and counselor preparation programs to facilitate workforce development;

(2) identify means of implementing career awareness and counseling at the elementary level, secondary level, and post-secondary level;

(3) ensure that graduation standards are met;

(4) identify means of using labor market forecasting to assist individuals engaged in career counseling;

(5) delineate the role of elementary schools, secondary schools, post-secondary institutions, employers, state agencies, and organized labor in the activities under this article;

(6) develop plans to meet the unique needs of sparsely populated areas in establishing a comprehensive youth apprenticeship program;

(7) develop plans to meet the unique needs of metropolitan areas in establishing a comprehensive youth apprenticeship program;

(8) advise the department of education concerning the implementation of a comprehensive youth apprenticeship program;

(9) approve industry and occupational skill standards recommended by the skills standards committees; and

(10) ensure that the comprehensive youth apprenticeship program established is consistent with state and federal education, labor, and job training policies.

Sec. 42. [126B.03] [COMPREHENSIVE YOUTH APPRENTICESHIP PROGRAM.]

(a) The department of education, under the auspices of the education to employment transitions council, shall establish a comprehensive youth apprenticeship program to better prepare all learners to make transitions between education and employment.

(b) A comprehensive youth apprenticeship program:

(1) includes an organized sequence of career awareness, career information, and career counseling activities, beginning in the elementary grades and progressing through a student's high school years;

(2) is available to high school juniors and seniors who meet the criteria established by a particular apprenticeship program;

(3) provides a continuous curricular sequence that integrates academic and technical preparation with work-based learning, and a year-round employment experience;

(4) provides an industry-approved work-based learning and year-round employment experience;

(5) provides ongoing feedback to the student on the student's performance in both the academic and work-based learning components of the program; and

(6) allows a student to participate in the program for two to four years.

(c) Students participating in a two-year program shall receive a high school diploma and an industry-approved occupational credential, and have the following options: entry-level employment, eligibility for advanced placement in a voluntary apprenticeship program, or admission to a post-secondary institution. Students participating in the four-year program shall receive an associate degree and an industry-approved occupational credential.

Sec. 43. [126B.04] [INDUSTRY AND OCCUPATIONAL SKILLS STANDARDS COMMITTEES.]

(a) The education to employment transitions council shall establish and convene committees to develop and recommend industry and occupational skill standards for the industries in which apprentices are placed.

(b) Committee membership shall consist of industry and trade representatives, employer representatives, and educators familiar with the skills, knowledge, and competencies of the industry. The council shall determine the membership of each committee they establish.

(c) Each committee shall:

(1) establish the terms of each apprenticeship experience including a probationary period;

(2) identify the current and future skill needs of occupations selected for inclusion in the apprenticeship program;

(3) make recommendations on compensation for students participating in the program;

(4) delineate the eligibility criteria that must be met by applicants to a youth apprenticeship program;

(5) identify how a student's abilities will be assessed upon admission to the program, during the program, and at the conclusion of the program;

(6) specify the courses a student must take and the duration and nature of the worksite experience;

(7) determine the components of the training program for industry trainers;

(8) identify job sites for apprenticeships within each industry;

(9) establish competencies that must be demonstrated by student apprentices upon completion of the program;

(10) delineate means of integrating academic and technical preparation into youth apprenticeship programs; and

(11) develop an agreement to be signed by each participant that delineates, at a minimum:

(i) the goals a student must meet as a condition of successfully completing the program;

(ii) the manner in which a student's performance will be evaluated;

(iii) a timetable of program activities;

(iv) services and experiences to be provided by the employer; and

(v) the terms of the apprenticeship experience.

Sec. 44. [126B.05] [PILOT COMPREHENSIVE YOUTH APPRENTICESHIP PROGRAMS.]

The department of education shall award up to five planning and implementation grants to establish comprehensive youth apprenticeship programs. By September 1, 1993, the commissioner of education, with the assistance of the education to employment transitions council, shall establish criteria for

evaluating grant proposals. The criteria established shall include the components outlined in section 42. The commissioner of education shall develop and publicize the grant application process. The education to employment transitions council shall review and comment on the proposals submitted. When the student apprenticeship program is implemented student funding shall be determined according to section 123.3514.

Sec. 45. [126B.06] [GENERAL PROVISIONS.]

(a) All state and federal laws relating to workplace health and safety shall apply to youth apprenticeships.

(b) The employment of a youth apprentice must not displace or cause any reduction in the number of nonovertime hours worked, wages, or benefits of a currently employed worker.

Sec. 46. [SUPERVISORY LICENSURE.]

All administrative and supervisory licensure rules adopted or amended by the state board of education must include outcomes relating to financial management practices of school districts and buildings.

Sec. 47. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The coalition for educational reform and accountability is established to promote public understanding and support for policies and practices which help achieve world-class education outcomes for Minnesota students to be successful in the 21st century world. The coalition shall give priority to the following activities:

(1) examining methods to reform education funding, specifically the concept of a core curriculum funded entirely by the state;

(2) developing a strategic plan with target dates for the state to accomplish major reform goals and practices;

(3) encouraging and supporting policies to bring about long term systemic change in the state's public schools;

(4) assisting the implementation of various reform and accountability initiatives adopted by the state;

(5) providing annual progress reports on student and system outcomes; and

(6) working with all stakeholder sectors to identify and monitor their respective responsibilities to help students and public education achieve certain objectives.

Subd. 2. [MEMBERSHIP] The coalition shall consist of 24 members and an executive director. The members, appointed by the panel designated in subdivision 3, must include eight people who are directly involved in public education including higher education, eight people who represent state and local governments, and eight people who are public members, including parents, business leaders, labor leaders, government leaders, educators, journalists, and others who have demonstrated a commitment to excellence for Minnesota public schools. Membership terms, compensation, and removal shall be as provided in Minnesota statutes, section 15.059.

Subd. 3. [PANEL.] A panel, composed of one person appointed by the governor, one person appointed by the speaker of the House of Representatives, one person appointed by the subcommittee on committees of the Senate committee on rules and administration, and the commissioner of education, shall appoint the members of the coalition. The panel shall consider gender and racial diversity in the appointments. The commissioner of education shall chair and convene the panel. The panel must make the first appointments to the coalition by September 1, 1993.

Subd. 4. [EXPIRATION.] Notwithstanding Minnesota Statutes, section 15.059, subdivision 5, the coalition expires June 30, 2000.

Sec. 48. [TEACHER COMPENSATION TASK FORCE.]

Subdivision 1. [ESTABLISHED.] A teacher compensation task force is established under the state board of education. The board shall initially organize the task force and prepare any reports to the legislature. The department of education shall assist the board as required.

Subd. 2. [MEMBERSHIP.] The following organizations shall have a member on the task force:

- (1) the state board of education;*
- (2) the state board of teaching;*
- (3) Minnesota school boards association;*
- (4) Minnesota federation of teachers;*
- (5) Minnesota education association;*
- (6) Minnesota business partnership;*
- (7) higher education board;*
- (8) Minnesota association of school administrators;*
- (9) Minnesota secondary principals association;*
- (10) Minnesota elementary principals association;*
- (11) a parent representing students with disabilities;*
- (12) Minnesota congress of parents, teachers, and students; and*
- (13) bureau of mediation services.*

Subd. 3. [PURPOSE AND DUTIES.] The general purpose of the task force is to investigate and identify the changes needed to move from a teacher compensation system based on training and experience to one based on knowledge, skills, and responsibilities. Specifically, the task force must identify the knowledge, skills, and responsibilities needed by teachers to:

- (1) clearly identify, communicate, and measure outcomes at a school site;*
- (2) improve educational instruction to achieve expected outcomes at a school site;*
- (3) evaluate peers and make other related personal decisions at a school site;*
- (4) manage organizational and financial needs at a school site; and*

(5) other duties that would lead to the improvement in the achievement of educational outcomes at either the district level or the school site.

The task force must identify the changes needed in the current organization of school districts, the organization of teacher preparation programs, and laws relating to labor negotiations to meet the general purpose. The task force must identify any changes in state funding, including a replacement of training and experience revenue with a cost-of-living revenue, for a system of compensation based on knowledge, skills, and responsibilities and any transitional changes needed to affect this system. The task force must recommend a timeline for these changes. The task force shall make a preliminary report on February 1, 1994, and a final report on February 1, 1995, to the education committees of the legislature.

Subd. 4. [INTERIM COMPENSATION.] For collective bargaining agreements entered into after July 1, 1995, no teacher defined in section 125.03, subdivision 1, who is hired by a school district under section 125.12, subdivision 2, or section 125.17, after July 1, 1995, may be paid according to a salary schedule based on training and experience. The school district and the collective bargaining representative shall negotiate an alternative method as part of an agreement. For the purpose of this subdivision, the term school district shall include any entity that hires teachers under section 125.12, subdivision 2, or section 125.17.

Sec. 49. [YOUTH COMMUNITY SERVICE.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall develop a plan for a statewide youth community service program with the assistance of the department of education and other affected state agencies. The plan must provide for a comprehensive full-time youth community service program that is available to youths 17 to 24 years of age, who have received a high school diploma or its equivalent, or agree to attain a high school diploma or its equivalent while participating in the program. Participants in a youth community service program shall perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning. Participants must commit to a full-time community service program of six months to two years in length. A participant shall be paid a stipend while participating in the program and shall receive a postservice benefit that may be used for payments toward a student loan, the costs of attending an institution of higher learning, or the costs of participating in a state approved apprenticeship program.

Subd. 2. [GRANT PROGRAM.] The higher education coordinating board shall actively pursue public and private funding sources for the purposes of providing grants for local youth community service programs. A local public or private nonprofit organization is eligible to receive a grant for the purposes of a local youth community service program. The grant funding may be used to pay for the necessary costs of providing a youth community service program, pay a stipend to each participant, and pay a postservice benefit to each participant who successfully completes a youth service program.

Subd. 3. [FEDERAL FUNDS.] The higher education coordinating board shall monitor federal programs for youth community service and apply for federal funds to provide youth community service, work-based learning, or youth education to employment transition programs. The higher education coordinating board shall seek federal funds to establish a demonstration

program with a coalition of Augsburg college, Hennepin county, and the city of Minneapolis neighborhood revitalization program to provide a year-around community service program based on their proposed summer of service model.

Subd. 4. [REPORT.] The higher education coordinating board shall report to the education committees of the legislature by February 1, 1994, on the plan required in subdivision 1, and shall make recommendations for establishing a successful youth community service program.

Sec. 50. [EDUCATION APPROPRIATION ACCOUNTS.]

Notwithstanding any law to the contrary, the education aid appropriation accounts relating to fiscal year 1992 shall remain open on the statewide accounting system, and the commissioner of finance shall transfer amounts among accounts and make transactions as requested by the commissioner of education as necessary to accomplish the retroactive provisions of sections 123.3514, subdivision 6; 124.17, subdivision 1; and 124.17, subdivision 2; and the provisions of section 124.14, subdivision 7 for fiscal year 1992.

Sec. 51. [BOARD OF TEACHING; APPROPRIATIONS.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal years indicated.

Subd. 2. [TEACHER EDUCATION IMPROVEMENT.] For board responsibilities relating to implementation of the teaching residency program:

\$490,000 1994

\$325,000 1995

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. [TEACHER MENTORING PROGRAMS.] For teacher mentoring programs according to section 125.231:

\$340,000 1994

\$340,000 1995

Sec. 52. [APPROPRIATIONS; DEPARTMENT OF EDUCATION.]

Subdivision 1. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [ITV LEVY AID.] For ITV levy aid under section 24:

\$2,681,000 1995

The appropriation anticipates an entitlement of \$3,154,200 for fiscal year 1995.

Subd. 3. [SCHOOL IMPROVEMENT INCENTIVE GRANTS.] For grants to school improvement incentive sites under section 3:

\$250,000 1994

\$250,000 1995

Subd. 4. [STAFF DEVELOPMENT EVALUATION.] For evaluation of improvement in student achievement of education outcomes from the increase in staff development revenue:

\$50,000 1995

This appropriation does not cancel.

Subd. 5. [AREA LEARNING CENTER GRANTS.] For aid for students at area learning centers:

\$150,000 1994

\$150,000 1995

Subd. 6. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] For entering into contracts for outcome-based education programs:

\$575,000 1994

Subd. 7. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:

\$300,000 1994

\$300,000 1995

Subd. 8. [NSF MATH-SCIENCE SYSTEMIC INITIATIVE.] To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:

\$1,500,000 1994

\$1,500,000 1995

This appropriation is not contingent upon receiving funding from the National Science Foundation.

Subd. 9. [PARTNERS FOR QUALITY.] To the Minnesota Academic Excellence Foundation to serve 200 educational institutions in the Minnesota Academic Excellence Foundation's quality initiative:

\$140,000 1994

\$140,000 1995

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$870,000 1994

\$870,000 1995

Subd. 11. [ACADEMIC EXCELLENCE FOUNDATION.] (a) For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$259,000 1994

\$259,000 1995

(b) Up to \$50,000 each year is contingent upon the match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1994 does not cancel but is available in 1995. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

Subd. 12. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$250,000 1994

\$250,000 1995

Subd. 13. [SCHOOL RESTRUCTURING GRANTS.] For school restructuring grants under section 39:

\$500,000 1995

This appropriation does not cancel.

Up to \$100,000 of this amount may be used for a grant to a nonstate organization to develop systemic site decision making models.

Subd. 14. [EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAMS.] For faculty exchange, and temporary assignment programs according to Minnesota Statutes, section 125.138:

\$75,000 1994

This appropriation is available until June 30, 1995.

Subd. 15. [DEVELOPMENT AND LEARNING CENTER.] For a grant to study the Minnesota development and learning center proposal:

\$50,000 1994

The study shall include collaborative meetings with the commissioner of education and the coalition for education reform and accountability. The findings of the study shall be reported to the chairs of the education committees by January 1, 1994.

Subd. 16. [COMMUNITY COOPERATION AID.] For community cooperative aid under Minnesota Statutes, section 124.2613:

\$3,500,000 1995

Subd. 17. [STAFF DEVELOPMENT INCENTIVE.] For staff development incentives:

\$100,000 1994

Sec. 53. [REPEALER.]

Minnesota Statutes 1992, sections 121.609; 124A.27, subdivisions 1 to 9; and 125.05, subdivision 1b, are repealed July 1, 1993.

Sec. 54. [EFFECTIVE DATE.]

Sections 11, 17, and 18 are effective retroactive to July 1, 1991, and apply for fiscal years 1992 and thereafter.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1992, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: management information center subsidies, according to section 121.935; reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.2715, subdivision 2; school lunch aid, according to section 124.646; ~~tribal contract school aid, according to section 124.85;~~ hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 2. [124.6469] [SCHOOL BREAKFAST PROGRAM.]

Subdivision 1. [PURPOSE.] *The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn.*

Subd. 2. [PROGRAM.] *The state school breakfast program enables schools participating in the federal School Breakfast Program to cover their costs for breakfast.*

Subd. 3. [PROGRAM REIMBURSEMENT.] *State funds are provided to reimburse school breakfasts. Each school year, the state shall reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.*

Sec. 3. Minnesota Statutes 1992, section 124.916, subdivision 2, is amended to read:

Subd. 2. [RETIRED EMPLOYEE HEALTH BENEFITS.] ~~For taxes payable in 1993 and 1994 only,~~ A school district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed \$300,000.

Notwithstanding section 121.904, 50 percent of the proceeds of this levy shall be recognized in the fiscal year in which it is certified.

Sec. 4. Minnesota Statutes 1992, section 124.916, subdivision 3, is amended to read:

Subd. 3. [~~MINNEAPOLIS CIVIL SERVICE RETIREMENT LEVIES.~~] (1) In addition to the excess levy authorized in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under Minnesota Statutes 1974, section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under Minnesota Statutes 1974, section 275.127 and chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, section 275.127 and chapter 422A.

(3) In 1991 and each year thereafter, a district to which this subdivision applies may levy an additional amount required for contributions to the Minneapolis employees retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund imposed under section 422A.101, subdivision 3. The additional levy shall not exceed the most recent amount certified by the board of the Minneapolis employees retirement fund as the district's share of the contribution requirement in excess of the maximum state contribution under section 422A.101, subdivision 3.

(4) *Special school district No. 1, Minneapolis, and independent school district No. 625, St. Paul, may levy for increased employer retirement contribution costs attributable to changes in contribution rates in Laws 1992, chapter 598, article 5, section 1.*

Sec. 5. Minnesota Statutes 1992, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in ~~kindergarten~~ *prekindergarten*, elementary, secondary, or special education programs.

(c) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure-specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure-specific skills.

Sec. 6. [125.623] [TEACHERS OF COLOR PROGRAM.]

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Subd. 2. [GRANTS.] The commissioner of education in consultation with the state minority councils shall award grants for professional development programs to recruit and educate people of color in the field of education, including early childhood and parent education. Grant applicants must be a school district with a growing minority population working in collaboration with a state institution of higher education with an approved teacher licensure program or an approved early childhood or parent education licensure program.

Subd. 3. [PROGRAM REQUIREMENTS:] (a) A grant recipient shall recruit persons of color to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students and other persons, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to students of color enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of students of color in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for students of color.

Sec. 7. Minnesota Statutes 1992, section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES.]

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city, township or school district for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that

taxable year on the original net tax capacity, the city, township or school district may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. The total tax levy authorized for a school district by this section *may also include an amount equal to any interest paid on the abatement refunds. The levy for a school district shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 124.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.*

Except for school districts, the amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 8. Minnesota Statutes 1992, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the ~~county auditor~~ *commissioner. The commissioner shall report the amount of the excess to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. The school board may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.*

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 9. [ONAMIA PUPILS ENROLLING IN A NONPUBLIC SCHOOL LOCATED ON A RESERVATION.]

Subdivision 1. [EARLY RETIREMENT LEVY.] Independent school district No. 480, Onamia, may certify a levy in 1993 for taxes payable in 1994 and in 1994 for taxes payable in 1995 for the cost of early retirement.

incentives for licensed and nonlicensed employees who retire early as a result of resident pupils enrolling in a nonpublic school located on a reservation.

Subd. 2. [UNEMPLOYMENT AID.] Unemployment aid shall be paid to independent school district No. 480, Onamia, in an amount equal to the total cost to the district in fiscal years 1994 and 1995 of unemployment benefits under Minnesota Statutes, chapter 268, for teachers placed on unrequested leave and for nonlicensed staff whose positions are discontinued as a result of resident-pupils enrolling in a nonpublic school located on a reservation.

Subd. 3. [SPECIAL AID FOR AT-RISK PUPILS.] Independent school district No. 480, Onamia, shall receive special aid for at-risk pupils equal to the actual expenditures under programs provided to resident pupils who are enrolled in a nonpublic school on a reservation and who:

- (1) have a disability, as defined in Minnesota Statutes, section 120.03, or*
- (2) meet one or more of the criteria specified under Minnesota Statutes, section 123.709, subdivision 1, clauses (1) to (14).*

Sec. 10. [RED WING LEVY.]

Independent school district No. 256, Red Wing, may levy up to \$500,000 to purchase the Towerview campus of the Red Wing/Winona technical college. The district may levy this amount over a three-year period beginning with the levy payable in 1994.

Sec. 11. [EMPLOYER-PAID HEALTH INSURANCE.]

Subdivision 1. [PUBLIC EMPLOYEES.] A school district, intermediate school district, or joint vocational technical district formed under Minnesota Statutes, sections 136C.60 to 136C.69, shall provide employer-paid hospital, medical, and dental benefits to a person who:

- (1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;*
- (2) has at least 25 years of combined service credit in any Minnesota public pension plans other than volunteer firefighter plans;*
- (3) has at least as many months of service with the current employer as the number of months younger than age 65 the person is at the time of retirement;*
- (4) upon retirement is immediately eligible for a retirement annuity if the person is a member of a defined benefit plan;*
- (5) is at least 55 and not yet 65 years of age; and*
- (6) in the case of a school district employee, retires on or after May 15, 1993, and before July 21, 1993; and in the case of an employee of another employer in this subdivision, retires on or after July 1, 1993, and before October 1, 1993.*

Subd. 2. [CONDITIONS; COVERAGE.] For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for

employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

Subd. 3. [RULE OF 90.] An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Subd. 4. [APPLICATION OF OTHER LAWS.] Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A. The authority provided in this section for an employer to pay health insurance costs for certain retired employees is not subject to the limits in Minnesota Statutes, section 179A.20, subdivision 2a.

Subd. 5. [SCHOOL DISTRICT LEVY.] A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this section. Notwithstanding Minnesota Statutes, section 121.904, 50 percent of the amount levied must be recognized as revenue for the fiscal year in which the levy is certified. This levy must not be considered in computing the aid reduction under Minnesota Statutes, section 124.155. If a school district levies according to this section, it may not also levy according to Minnesota Statutes, section 122.531, subdivision 9, for eligible employees.

Sec. 12. Laws 1991, chapter 265, article 1, section 30, is amended to read:

Sec. 30. [BADGER SCHOOL DISTRICT FUND BALANCE.]

If independent school district No. 676, Badger, receives payment of delinquent property taxes from one taxpayer and the payment is more than five percent of the total property taxes paid in the fiscal year in which the payment is received, general education revenue for the district shall not be reduced according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance attributed to the payment for the following two five fiscal years.

Sec. 13. Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14, is amended to read:

Sec. 14. [NONOPERATING FUND TRANSFERS.]

By June 30, 1992, and by June 30, 1993, a school district may permanently transfer money from the capital expenditure facilities or equipment accounts and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. A transfer may not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992, or as of June 30, 1993. No levies and no state aids shall be reduced as a result of a transfer. Each district transferring money from the capital expenditure facilities or equipment accounts shall report to

the commissioner of education on each transfer. A district may not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if: (1) the district retired its bonded indebtedness during fiscal year 1992 or 1993 or an earlier fiscal year and the district's general education levy was not reduced under Minnesota Statutes, section 475.61, subdivision 4, for taxes payable in 1993, or an earlier year, or (2) the district's 1991 payable 1992 or 1992 payable 1993 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

Sec. 14. [FUND TRANSFERS.]

Subdivision 1. [SPRINGFIELD.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121 or other law, independent school district No. 85, Springfield, may permanently transfer a total of up to \$600,000, as necessary, from its general fund to its capital expenditure fund before July 1, 1995.

Subd. 2. [REMER-LONGVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district No. 118, Remer-Longville, may permanently transfer \$125,000 in fiscal year 1993 from the bus purchase account to the capital expenditure fund without making a levy reduction.

Subd. 3. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 738, Holdingford, may permanently transfer up to \$51,000 from its debt redemption fund to its general fund.

Subd. 4. [MANKATO.] Notwithstanding Minnesota Statutes, section 124.2713, subdivision 8, or any other law to the contrary, independent school district No. 77, Mankato, may expend up to \$250,000 from the community service fund for the purpose of removing architectural barriers from the Lincoln community center to provide access to persons with disabilities.

Subd. 5. [ST. MICHAEL-ALBERTVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district No. 885, St. Michael-Albertville, may permanently transfer up to \$105,000 in fiscal year 1993 from its debt redemption fund to the capital expenditure equipment fund.

Subd. 6. [SARTELL.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 748, Sartell, may permanently transfer any amount not currently needed from its debt redemption fund to the building construction fund.

Subd. 7. [GLENCOE.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121 or other law, independent school district No. 422, Glencoe, may permanently transfer a total of up to \$100,000, as necessary, from its early childhood family education fund to its capital expenditure facilities fund before July 1, 1994.

Subd. 8. [COLD SPRING.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993 independent school district No. 750, Cold Spring, may permanently transfer an amount not to exceed \$66,000 from its debt redemption fund to the transportation fund.

Subd. 9. [GRYGLA.] Notwithstanding Minnesota Statutes 1992, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1993, independent school district No. 447, Grygla, may permanently transfer an amount not to exceed \$100,000 from its debt redemption fund to the capital expenditure fund.

Subd. 10. [PLUMMER.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 628, Plummer, may permanently transfer \$31,295 from its debt redemption fund to the transportation fund.

Subd. 11. [KARLSTAD.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 2358, Karlstad, may permanently transfer any amount not currently needed from the debt redemption fund to the general fund without making a levy reduction.

Sec. 15. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.

Subd. 2. [FELLOWSHIP GRANTS.] (a) For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$125,000 1994

\$125,000 1995

(b) Of this appropriation, \$25,000 each year is for alternative preparation for licensure in early childhood or parent education.

(c) A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Sec. 16. [MINNESOTA HUMANITIES COMMISSION APPROPRIATION.]

Subdivision 1. [MINNESOTA HUMANITIES COMMISSION.] The sums indicated in this section are appropriated from the general fund to the Minnesota humanities commission in the fiscal year indicated.

Subd. 2. [TEACHING INSTITUTE.] For teacher seminars:

\$500,000 1994

\$500,000 1995

Every dollar of grant money appropriated under this section must be matched by one dollar of nonstate money. The amounts appropriated under this section may not be used for administrative expenditures. The money is for

the Minnesota Institute for the Advancement of Teaching to conduct up to 36 one-week-long noncredit residential seminars annually for Minnesota's K-12 teachers. The seminars must be interdisciplinary, employ varied methods of teaching and learning, incorporate community resources in a creative and instructive manner, and be dedicated to the professional development of K-12 teachers. The money is also for the institute to begin an alumni program to assist teachers who have attended the seminars to provide programs for teachers in their districts who cannot attend the residential seminars. The humanities commission may seek and accept private sector money for the institute to supplement these appropriations.

Sec. 17. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.]

Subdivision 1. [ARTS CENTER.] The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education in the fiscal year designated:

\$437,000 1994

\$471,000 1995

Of the fiscal year 1994 appropriation, \$275,000 is to fund artist and arts organization participation in the education residency project, \$75,000 is for school support for the residency project, and \$87,000 is for further development of the partners: arts and school for students (PASS) program, including pilots. Of the fiscal year 1995 appropriation, \$265,000 is to fund artist and arts organizations participation in the education residency project, \$75,000 is for school support for the residency project, and \$121,000 is to fund the PASS program, including additional pilots. The guidelines for the education residency project and the pass program shall be developed and defined by the Minnesota arts board. The Minnesota arts board shall participate in the review and allocation process. The center for arts education shall cooperate with the Minnesota arts board to fund these projects.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

\$7,334,000 1994

\$7,567,000 1995

The 1994 appropriation includes \$902,000 for 1993 and \$6,432,000 for 1994.

The 1995 appropriation includes \$1,135,000 for 1994 and \$6,432,000 for 1995.

Subd. 3. [INTEGRATION GRANTS.] For grants to districts implementing desegregation plans mandated by the state board:

\$17,313,000 1994

\$17,313,000 1995

\$1,513,600 each year must be allocated to independent school district No. 709, Duluth; \$8,503,800 each year must be allocated to special school district No. 1, Minneapolis; and \$7,295,600 each year must be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a part of the grant to the transportation fund for this purpose.

Subd. 4. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$9,623,000 1994

\$9,696,000 1995

The 1994 appropriation includes \$1,333,000 for 1993 and \$8,290,000 for 1994.

The 1995 appropriation includes \$1,463,000 for 1994 and \$8,233,000 for 1995.

Subd. 5. [SCHOOL LUNCH AND FOOD STORAGE AID.] (a) For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$6,525,000 1994

\$6,525,000 1995

(b) Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

(c) If the appropriation amount attributable to either year is insufficient, the rate of payment for each student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

(d) Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

(e) Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 6. [APPROPRIATIONS FOR SCHOOL DISTRICTS.] For grants to certain school districts:

\$121,450 1994

\$165,286 1995

\$51,450 in 1994 and \$95,286 in 1995, are for grants to independent school district No. 480, Onamia, for the purposes of section 9.

\$20,000 in 1994 and \$20,000 in 1995 are for grants to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06.

\$30,000 in 1994 and \$30,000 in 1995 are for grants to independent school district No. 707, Nett Lake, for the payment of obligations of the school district for unemployment compensation. The appropriation must be paid to the appropriate state agency for such purposes in the name of the school district.

Subd. 7. [CAREER TEACHER AID.] For career teacher aid according to Minnesota Statutes, section 124.276:

\$500,000 1994

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the aid may be used for the increased district contribution to the teachers' retirement association and to FICA resulting from the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Subd. 8. [MINORITY TEACHER INCENTIVES.] For minority teacher incentives:

\$1,000,000 1994

Any unexpended balance remaining in 1994 does not cancel but is available in 1995.

Subd. 9. [TEACHERS OF COLOR PROGRAM.] For grants to school districts for the teachers of color program:

\$250,000 1994

\$250,000 1995

Of this appropriation, \$75,000 each fiscal year shall be for educating people of color to be early childhood and parent educators.

Subd. 10. [SCHOOL BREAKFAST.] To operate the school breakfast program:

\$200,000 1994

\$200,000 1995

If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year. Any unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Subd. 11. [INTERNET; APPROPRIATION.]

To provide statewide access to INTERNET for elementary and secondary schools:

\$200,000 1994

\$200,000 1995

Subd. 12. [EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL.] For operating expenses of the Minnesota education in agriculture leadership council.

\$50,000 1994

Any balance in the first year does not cancel but is available in the second year.

Subd. 13. [MALE RESPONSIBILITY.] For matching grants to school districts to develop programs on male responsibility for sexual behavior:

\$50,000 1994

Grants may be awarded to school districts or other community-based organizations to develop pilot programs. Recipients must match each grant dollar for dollar from nonstate sources.

The commissioner of education shall develop and disseminate criteria for the awarding of the grants by September 1, 1993.

This appropriation does not lapse but is available for fiscal year 1995.

Sec. 19. [EFFECTIVE DATE.]

Section 7 is effective July 1, 1993, and applies for the first time to levies for 1993 taxes payable in 1994.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 120.064, subdivision 1, is amended to read:

Subdivision 1. [PURPOSES.] (a) The purpose of this section is to:

- (1) improve pupil learning;
- (2) increase learning opportunities for pupils;
- (3) encourage the use of different and innovative teaching methods;
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;
- (5) establish new forms of accountability for schools; or
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that otherwise would be closed. Applicants in these circumstances bear the burden of proving that conversion to an outcome-based school fulfills a purpose specified in this subdivision, independent of the school's closing.

Sec. 2. Minnesota Statutes 1992, section 120.064, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] (a) A school board may sponsor ~~an~~ *one or more outcome-based school schools.*

(b) A school board may authorize a maximum of ~~two~~ *five* outcome-based schools. No more than a total of ~~eight~~ *20* outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Sec. 3. Minnesota Statutes 1992, section 120.064, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 125.05, subdivision 1, to ~~form and~~ operate an outcome-based school subject to approval by the state board of education. *If a school board elects not to sponsor an outcome-based school, the applicant may appeal the school board's decision to the state board of education if two members of the school board voted to sponsor the school. If the state board authorizes the school, the state board shall sponsor the school according to this section. The teachers school shall organize be organized and operate a school operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.*

(b) Before a ~~teacher~~ *the operators* may ~~begin~~ to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The ~~teachers~~ *operators* authorized to organize and operate a school shall hold an election for members of the school's board of directors *in a timely manner after the school is operating. All* Any staff members who are employed at the school, *including teachers providing instruction under a contract with a cooperative,* and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school, *including teachers providing instruction under a contract with a cooperative,* must be a majority of the members of the board of directors. *A provisional board may operate before the election of the school's board of directors.*

(d) ~~The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.~~

Sec. 4. Minnesota Statutes 1992, section 120.064, is amended by adding a subdivision to read:

Subd. 4b. [CONVERSION OF EXISTING SCHOOLS.] A school board may convert one or more of its existing schools to outcome-based schools under this section if 90 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

Sec. 5. Minnesota Statutes 1992, section 120.064, subdivision 5, is amended to read:

Subd. 5. [CONTRACT.] *The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school. The contract for an outcome-based school shall be in writing and contain at least the following:*

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 15, and 21;
- (7) assumption of liability by the outcome-based school;
- (8) types and amounts of insurance coverage to be obtained by the outcome-based school; and
- (9) the term of the contract which may be up to three years.

Sec. 6. Minnesota Statutes 1992, section 120.064, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS.] (a) An outcome-based school shall meet ~~the same~~ *all applicable state and local health and safety requirements required of a school district.*

(b) ~~The school must be located in Minnesota the sponsoring district, unless another school board agrees to locate an outcome-based school sponsored by another district in its boundaries. Its specific location may not be prescribed or limited by a sponsor or other authority except a zoning authority.~~

(c) The school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize an outcome-based school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) The primary focus of the school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(e) The school may not charge tuition.

(f) The school is subject to and shall comply with chapter 363 and section 126.21.

(g) The school is subject to and shall comply with the pupil fair dismissal act, sections 127.26 to 127.39, and the Minnesota public school fee law, sections 120.71 to 120.76.

(h) The school is subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit must be consistent with the requirements of sections 121.901 to 121.917, except to the extent deviations.

are necessary because of the program at the school. The department of education, state auditor, or legislative auditor may conduct financial, program, or compliance audits.

(i) The school is a school district for the purposes of tort liability under chapter 466.

Sec. 7. Minnesota Statutes 1992, section 120.064, subdivision 9, is amended to read:

Subd. 9. [ADMISSION REQUIREMENTS.] The school may limit admission to:

- (1) pupils within an age group or grade level;
- (2) people who are eligible to participate in the high school graduation incentives program under section 126.22; *or*
- (3) pupils who have a specific affinity for the school's teaching methods, the school's learning philosophy, or a subject such as mathematics, science, fine arts, performing arts, or a foreign language; *or*
- (4) residents of a specific geographic area *if where* the percentage of the population of non-Caucasian people in the geographic of that area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, *and* as long as the school reflects the racial and ethnic diversity of *that the specific* area.

The school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils shall be accepted by lot.

The school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

Sec. 8. Minnesota Statutes 1992, section 120.064, subdivision 11, is amended to read:

Subd. 11. [EMPLOYMENT AND OTHER OPERATING MATTERS.] The school's ~~board of directors~~ school shall employ *and or* contract with necessary teachers, as defined by section 125.03, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The ~~board~~ school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The ~~board~~ school may discharge teachers and nonlicensed employees.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Sec. 9. Minnesota Statutes 1992, section 120.064, subdivision 18, is amended to read:

Subd. 18. [DISSEMINATE INFORMATION.] The *sponsor, the operators, and the* department of education must disseminate information to the public, *directly and through sponsors,* on how to form and operate an outcome-based school and how to utilize the offerings of an outcome-based school. *Particular groups to be targeted include low-income families and communities, and students of color.*

Sec. 10. Minnesota Statutes 1992, section 120.064, subdivision 21, is amended to read:

Subd. 21. [CAUSES FOR NONRENEWAL OR TERMINATION.] (a) The duration of the contract with a sponsor shall be for the term contained in the contract according to subdivision 5. The sponsor, ~~subject to state board of education approval,~~ may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor ~~or the state board~~ may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor, ~~or the state board if the state board is acting to terminate a contract,~~ shall notify the board of directors of the school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the school's board of directors may request in writing an informal hearing before the sponsor ~~or the state board~~ within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor ~~or the state board~~ shall give reasonable notice to the school's board of directors of the hearing date. The sponsor ~~or the state board~~ shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year. *If the sponsor is a local school board, the school's board of directors may appeal the sponsor's decision to the state board of education.*

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) for violations of law; or
- (4) other good cause shown.

If a contract is terminated or not renewed, the school shall be dissolved according to the applicable provisions of chapter 308A or 317A.

Sec. 11. Minnesota Statutes 1992, section 120.101, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] For the 1988-1989 school year and the school years thereafter, every child between seven and 16 years of age shall receive instruction for at least ~~170~~ *the number of days each year required under subdivision 5b*. For the 2000-2001 school year and later school years, every child between seven and 18 years of age shall receive instruction for at least ~~170~~ *the number of days each year required under subdivision 5b*. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to ~~170 half days~~ *half of each day for the number of days each year set out in subdivision 5b*. Except as provided in subdivision 5a, a parent may withdraw a child under the age of seven from enrollment at any time.

Sec. 12. Minnesota Statutes 1992, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruction for at least ~~the number of 170 days through the 1994-1995 school year, and for later years, at least the number of days per school year required~~ in the following schedule:

- (1) 1995-1996, 172;
- (2) 1996-1997, 174;
- (3) 1997-1998, 176;
- (4) 1998-1999, 178;
- (5) 1999-2000, 180;
- (6) 2000-2001, 182;
- (7) 2001-2002, 184;
- (8) 2002-2003, 186;
- (9) 2003-2004, 188; and
- (10) 2004-2005, and later school years, 190.

Sec. 13. Minnesota Statutes 1992, section 120.102, subdivision 1, is amended to read:

Subdivision 1. [REPORTS TO SUPERINTENDENT.] The person in charge of providing instruction to a child shall submit the following information to the superintendent of the district in which the child resides:

- (1) by October 1 of each school year, the name, age, and address of each child receiving instruction;
- (2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120.101, subdivision 7;
- (3) an annual instructional calendar showing that instruction will occur on at least ~~170~~ *the number of days required under section 120.101, subdivision 5b*; and
- (4) for each child instructed by a parent who meets only the requirement of section 120.101, subdivision 7, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120.101, subdivision 6.

Sec. 14. Minnesota Statutes 1992, section 121.16, subdivision 1, is amended to read:

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. The commissioner shall be appointed by the state board with the approval of the governor under the provisions of section 15.06. ~~For purposes of section 15.06, the state board is the appointing authority.~~

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the

finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 15. Minnesota Statutes 1992, section 122.23, subdivision 18, is amended to read:

Subd. 18. (a) The county auditor shall determine a date, not less than 20 nor more than 60 days from the date that the order setting the effective date of the consolidation according to subdivision 13 was issued, upon which date shall be held a special election in the district for the purpose of electing a board of six members for terms as follows: two until the July 1 one year after the effective date of the consolidation, two until the expiration of one year from said July 1, and two until the expiration of two years from said July 1, to hold office until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts. If the resolution or petition for consolidation pursuant to subdivision 2 proposed that the board of the newly created district consists of seven members, then seven members shall be elected at this election for the terms provided in this clause except that three members shall hold office until the expiration of two years from said July 1. If the resolution or petition for consolidation pursuant to subdivision 2 proposed the establishment of separate election districts, these members shall be elected from separate election districts according to the provisions of that resolution or petition and of chapter 205A.

(b) The county auditor shall give ten days' posted notice of election in the area in which the election is to be held and also if there be a newspaper published in the proposed new district, one weeks' published notice shall be given. The notice shall specify the time, place, and purpose of the election.

(c) Any person desiring to be a candidate for a school election shall file an application with the county auditor to have the applicant's name placed on the ballot for such office, specifying the term for which the application is made. The application shall be filed not less than 12 days before the election.

(d) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots shall be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. The county auditor shall determine the location of polling places and the hours the polls shall be open and shall appoint three election judges for each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(e) After making a canvass and tabulation, the county auditor shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. The county auditor shall deliver such

certificate to the person entitled thereto by certified mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(f) The board of each district included in the new enlarged district shall continue to maintain school therein until the effective date of the consolidation. Such boards shall have power and authority only to make such contracts, to do such things as are necessary to maintain properly the schools for the period prior to that date, and to certify to the county auditor according to levy limitations applicable to the component districts the taxes collectible in the calendar year when the consolidation becomes effective.

(g) It shall be the immediate duty of the newly elected board of the new enlarged district, when the members thereof have qualified and the board has been organized, to plan for the maintenance of the school or schools of the new district for the next school year; to enter into the necessary negotiations and contracts for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes, when authorized by the voters to issue bonds under the provisions of chapter 475; and on the effective date of the consolidation to assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district shall give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 122.532. *The obligations of the new board to nonlicensed employees employed by component districts is governed by subdivision 18a.*

Sec. 16. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 18a. [NONLICENSED EMPLOYEES.] (a) As of the effective date of a consolidation of two or more districts or parts of them, each nonlicensed employee employed by an affected district must be assigned to the newly created district.

(b) As of the effective date of a consolidation, any employee organization may petition the commissioner of the bureau of mediation services for a certification election under chapter 179A. An organization certified as the exclusive representative for nonlicensed employees in a particular preexisting district continues as the exclusive representative for those particular employees for a period of 90 days from the effective date of a consolidation. If a petition for representation of nonlicensed employees is filed within 90 days, an exclusive representative for those particular nonlicensed employees continues as the exclusive representative until the bureau of mediation services certification proceedings are concluded.

(c) The terms and conditions of employment of nonlicensed employees assigned to the newly created district are temporarily governed by contracts executed by an exclusive representative for a period of 90 days from the effective date of the consolidation. If a petition for representation is filed with the bureau of mediation services within the 90 days, the contractual terms and

conditions of employment for those nonlicensed employees who were governed by a preexisting contract continue in effect until the bureau of mediation services proceedings are concluded and, if an exclusive representative has been elected, until successor contracts are executed between the board of the newly created district and the new exclusive representative. The terms and conditions of employment of nonlicensed employees assigned to the newly created district who were not governed by a collective bargaining agreement at the time of the consolidation are governed by the policies of the board of the newly created district.

(d) The date of first employment in the newly created district is the date on which services were first performed by the employee in the preexisting district. Any sick leave, vacation time, or severance pay benefits accumulated under policies of the preexisting district or contracts between the exclusive representatives and the board of the preexisting district continue to apply in the newly created district to the employees of the preexisting districts, subject to any maximum accumulation limitations negotiated in a successor contract. Future leaves of absence, vacations, or other benefits to be accumulated in the newly created district are governed by board policy or by contract between the exclusive representative of an appropriate unit of employees and the board of the newly created district. The board of the newly created district shall provide, to transferred nonlicensed employees, open enrollment in all insurance plans with no limit on preexisting conditions.

Sec. 17. Minnesota Statutes 1992, section 122.895, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section applies to:

- (1) an education district organized according to sections 122.91 to 122.95;
- (2) a cooperative vocational center organized according to section 123.351;
- (3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;
- (4) a joint vocational technical district organized according to sections 136C.60 to 136C.69;
- (5) an intermediate district organized according to chapter 136D; and
- (6) an educational cooperative service unit which employs teachers to provide instruction; and
- (7) school districts participating in an agreement for the cooperative provision of special education services to children with disabilities according to section 120.17, subdivision 4.

Sec. 18. Minnesota Statutes 1992, section 122.895, is amended by adding a subdivision to read:

Subd. 2a. [AGREEMENTS FOR COOPERATIVE SPECIAL EDUCATION.] (a) Upon the termination of an agreement according to section 120.17, subdivision 4, a teacher employed to provide special education services by a school district participating in the agreement will be afforded rights to employment by other school districts according to subdivisions 3, 4, and 5. Nonlicensed employees of a participating district employed to provide special education services will, upon the agreement's termination, be afforded

rights to employment by other participating districts according to subdivision 8.

(b) Upon a school district's withdrawal from the cooperative provision of special education under an agreement according to section 120.17, subdivision 4, a teacher employed to provide special education services by a participating district will be afforded rights to employment by other school districts according to subdivisions 3, 6, and 7. Nonlicensed employees of a participating district employed to provide special education services will be afforded rights to employment by the withdrawing district according to subdivision 9.

Sec. 19. Minnesota Statutes 1992, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. An individual employed by a school board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A school board, at its discretion, may or may not renew an employment contract. *An employment contract between a superintendent and a school board may not include a provision extending the term of the contract beyond the date specified in the contract or be amended while the contract is in force in a manner that would extend the term of the contract beyond the date specified in the contract. If a contract between a school board and a superintendent is terminated prior to the date specified in the contract, the school board may not enter into another contract with that same individual that has a term that extends beyond the date specified in the terminated contract.* A school board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 125.12, subdivision 6 or 8. A superintendent shall not rely upon an employment contract with a school board to assert any other continuing contract rights in the position of superintendent under section 125.12. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

- (1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;
- (2) recommend to the board employment and dismissal of teachers;
- (3) superintend school grading practices and examinations for promotions;
- (4) make reports required by the commissioner of education; and

(5) perform other duties prescribed by the board.

Sec. 20. Minnesota Statutes 1992, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least ~~170~~ 175 days through the 1994-1995 school year and the number of days required in ~~section 120.101~~, subdivision 5b 1b thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt is made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the 1994-1995 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 21. Minnesota Statutes 1992, section 144.4165, is amended to read:

144.4165 [TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.]

No person shall at any time smoke ~~or use any other~~, *chew, or otherwise ingest tobacco or a tobacco product* in a public school, as defined in section 120.05, subdivision 2. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls. This prohibition does not apply to a technical college. *Nothing in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian spiritual or cultural ceremony. For purposes of this section, an Indian is a person who is a member of an Indian tribe as defined in section 257.351, subdivision 9.*

Sec. 22. Minnesota Statutes 1992, section 609.685, subdivision 3, is amended to read:

Subd. 3. [PETTY MISDEMEANOR.] Whoever ~~uses~~ *smokes, chews, or otherwise ingests*, purchases, or attempts to purchase tobacco or tobacco related devices and is under the age of 18 years is guilty of a petty misdemeanor. This subdivision does not apply to a person under the age of 18

years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Sec. 23. Minnesota Statutes 1992, section 609.685, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION.] Notwithstanding subdivision 2, an Indian may furnish tobacco to an Indian under the age of 18 years if the tobacco is furnished as part of a traditional Indian spiritual or cultural ceremony. For purposes of this subdivision, an Indian is a person who is a member of an Indian tribe as defined in section 257.351, subdivision 9.

Sec. 24. [INDEPENDENT SCHOOL DISTRICT NO. 206, ALEXANDRIA; ELECTIONS.]

Notwithstanding Laws 1987, chapter 96, relating to the beginning of the term of office for newly elected board members, the terms of office for newly elected board members of independent school district No. 206, Alexandria, begin and end as provided for in Minnesota Statutes, section 205A.04, subdivision 1.

Sec. 25. [EXEMPTIONS; EIGHT-PERIOD SCHEDULE.]

(a) Notwithstanding Minnesota Statutes, sections 120.101, subdivision 5; 120.66; 121.585; 124.19, subdivisions 1, 4, 6, and 7; 124C.46, subdivision 3; 126.12, subdivision 1; or any other law to the contrary, independent school district No. 279, Osseo, may adopt for the 1993-1994, 1994-1995, and 1995-1996 school years an alternating eight-period schedule for secondary school students composed of four 85-minute periods per day held on alternating school days. The purpose of the alternating eight-period schedule is to enable the school district to temporarily meet its increasing needs for additional space due to enrollment increases at the secondary level. The new schedule must not change district curricular offerings, transportation schedules, the length of employees' workday, or extracurricular activities. The district must offer registered secondary students the opportunity to enroll in a minimum of five classes in an eight-period schedule.

(b) The district may adopt the eight-period schedule without loss of state aid if the district meets the requirements of paragraph (a). The commissioner of education, in consultation with the district, shall determine the minimum number of instructional hours so that the district is eligible for the full amount of general education revenue.

(c) The district may adopt the eight-period schedule only upon school board resolution following a public hearing. Notice of the hearing must be published in the official newspaper at least one week in advance.

(d) Any student affected by the eight-period schedule is exempt from the enrollment options program deadline in Minnesota Statutes, section 120.062.

(e) The district, with the assistance of the department of education, shall conduct a study of the impact of the eight-period schedule on student performance. At minimum, the district and the department shall assess a sample group of students at any secondary school using the eight-period schedule and compare that group to a sample group of students at a secondary school not covered by paragraph (a). The district shall conduct a survey of students and parents on the effectiveness of the eight-period

schedule. The department shall evaluate the financial impact of the eight-period schedule. The district shall make a preliminary report on the effectiveness of the eight-period schedule to the legislature by January 15, 1995, and a final report by January 15, 1997.

Sec. 26. [SPECIAL EFFECTIVE DATE AND APPLICABILITY TO THE TODD – OTTER TAIL – WADENA SPECIAL EDUCATION COOPERATIVE.]

Sections 17 and 18 apply to the Todd – Otter Tail – Wadena special education cooperative and its participating school districts: independent school district No. 543, Deer Creek; independent school district No. 545, Henning; independent school district No. 549, Perham-Dent; independent school district No. 553, New York Mills; independent school district No. 786, Bertha-Hewitt; independent school district No. 818, Verndale; independent school district No. 819, Wadena; independent school district No. 820, Sebeka; and independent school district No. 821, Menahga, and are effective the day following their final enactment. If the board of any participating school district has given notice of intent to withdraw from special education services provided by the cooperative before final enactment, the deadline specified in Minnesota Statutes, section 122.895, subdivision 3, is six days following the final enactment and the deadline specified in Minnesota Statutes, section 122.895, subdivision 6, paragraph (b), for notice of a teacher's exercise of rights under that subdivision is 16 days following final enactment.

Sec. 27. [ALTERNATIVE ASSESSMENT OF TEACHER SKILLS.]

(a) A person who has completed an approved teacher preparation program and obtained a provisional license to teach, but has not successfully completed the skills examination required under Minnesota Statutes 1992, section 125.05, subdivision 1a, paragraph (b), may renew the provisional license. Each renewal of the provisional license is contingent upon participation in a school district or higher education institution assistance program in the specific area or areas where qualifying scores have not been obtained. If after two successive renewals an applicant has not achieved the qualifying scores, the board of teaching shall grant a continuing license to the applicant upon successful completion of an alternative assessment of skills in accordance with paragraph (b).

(b) By February 1, 1994, the board of teaching shall develop and implement an alternative method of assessment of skills in reading, writing, and mathematics for teachers holding a provisional license who have not met the qualifying scores after two successive renewals. The alternative method of assessment may include adjustments in examination time or a uniform performance evaluation system that is approved for statewide licensure purposes and includes assessment of basic skills. A person with a provisional license may continue to renew the provisional license as provided in paragraph (a) until the board implements the alternative method of assessing skills in reading, writing, and mathematics.

Sec. 28. [REPEALER.]

Laws 1991, chapter 265, article 4, section 29, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Section 14 is not subject to the effective date in Laws 1992, chapter 499, article 8, section 36. Section 24 is effective the day after the clerk of the

school board of independent school district No. 206, Alexandria, complies with Minnesota Statutes, section 645.021, subdivision 3. Section 25 is effective the day following final enactment and remains in effect only through the 1995-1996 school year.

ARTICLE 10

LIBRARIES

Section 1. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

\$7,819,000 1994

\$7,819,000 1995

The 1994 appropriation includes \$1,172,000 for 1993 and \$6,647,000 for 1994.

The 1995 appropriation includes \$1,172,000 for 1994 and \$6,647,000 for 1995.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$527,000 1994

\$527,000 1995

The 1994 appropriation includes \$79,000 for 1993 and \$448,000 for 1994.

The 1995 appropriation includes \$79,000 for 1994 and \$448,000 for 1995.

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1992, section 124C.08, subdivision 1, is amended to read:

Subdivision 1. [FUNDING.] Each site shall receive \$1,250 each year for two years. If fewer than 30 sites are selected, each site shall receive an additional proportionate share of money appropriated and not used. Before receiving money for the second year, a long-range plan for arts education must be submitted to the ~~department~~ Minnesota center for arts education.

Sec. 2. Minnesota Statutes 1992, section 124C.08, subdivision 2, is amended to read:

Subd. 2. [CRITERIA.] The ~~department of education~~ center, in consultation with the comprehensive arts planning program state steering committee, shall establish criteria for site selection. Criteria shall include at least the following:

- (1) a willingness by the district or group of districts to designate a program

chair for comprehensive arts planning with sufficient authority to implement the program;

(2) a willingness by the district or group of districts to create a committee comprised of school district and community people whose function is to promote comprehensive arts education in the district;

(3) commitment on the part of committee members to participate in training offered by the department of education;

(4) a commitment of the committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the program;

(6) a willingness by the district to adopt a long-range plan for arts education in the district;

(7) no previous involvement of the district in the comprehensive arts planning program, unless that district has joined a new group of districts; and

(8) location of the district or group of districts to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Sec. 3. Minnesota Statutes 1992, section 124C.09, is amended to read:

124C.09 [DEPARTMENT RESPONSIBILITY.]

The department of education Minnesota center for arts education, in cooperation with the Minnesota alliance for arts in education, and the Minnesota state arts board, and the Minnesota center for arts education shall provide materials, training, and assistance to the arts education committees in the school districts. The department center may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

Sec. 4. [128A.11] [STUDENT ACTIVITIES ACCOUNT.]

Subdivision 1. [STUDENT ACTIVITIES; RECEIPTS; APPROPRIATION.] All receipts of any kind generated to operate student activities, including student fees, donations and contributions, and gate receipts must be deposited in the state treasury. The receipts are appropriated annually to the residential academies for student activities purposes. They are not subject to budgetary control by the commissioner of finance.

Subd. 2. [TO STUDENT ACTIVITIES ACCOUNT.] The money appropriated in subdivision 1 to the residential academies for student activities must be credited to a Faribault academies' student activities account and may be spent only for Faribault academies' student activities purposes.

Subd. 3. [CARRYOVER.] An unexpended balance in the Faribault academies' student activities account may be carried over from the first fiscal year of the biennium into the second fiscal year of the biennium and from one biennium to the next. The amount carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Subd. 4. [SPECIFICALLY INCLUDED AMONG RECEIPTS.] Any money generated by a Faribault academies' student activity that involves:

- (1) state employees who are receiving compensation for their involvement with the activity;*
- (2) the use of state facilities; or*
- (3) money raised for student activities in the name of the residential academies*

is specifically included among the kinds of receipts that are described in subdivision 1.

Sec. 5. Minnesota Statutes 1992, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$250 fee before the person's drivers license is reinstated to be credited as follows:

- (1) 20 percent shall be credited to the trunk highway fund;
- (2) 55 percent shall be credited to the general fund;
- (3) eight percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;
- (4) 12 percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education and chemical abuse prevention programs in elementary and secondary schools. The state board of education shall establish guidelines for the distribution of the grants. At least \$70,000 must be awarded in grants to local school districts; and
- (5) five percent shall be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. \$100,000 is annually appropriated from the account to the commissioner of human services for traumatic brain injury case management services. The remaining money in the account is annually appropriated to the commissioner of health to establish and maintain the traumatic brain injury and spinal cord injury registry created in section 144.662 and to reimburse the commissioner of jobs and training for the reasonable cost of services provided under section 268A.03, clause (o).

Sec. 6. [DEPARTMENT OF EDUCATION.]

The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

\$14,269,000 1994

\$14,297,000 1995

\$21,000 each year is from the trunk highway fund.

\$45,000 each year must be used to assist districts with the assurance of mastery program.

\$219,000 each year is for the state board of education.

\$200,000 each year is for contracting with the state fire marshal to provide the services required according to Minnesota Statutes, section 121.1502.

The expenditures of federal grants and aids as shown in the biennial budget document are approved and appropriated and shall be spent as indicated.

The board of teaching budget is not exempt from internal reallocations and reductions required to balance the budget of the combined agencies.

The commissioner shall maintain no more than five total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, and executive assistant.

The department may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions.

In the next biennial budget, the department must assess its progress in meeting its established performance measures and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 7. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the department of education for the Faribault Academies:

\$7,724,000 1994

\$7,993,000 1995

Any balance in the first year does not cancel and is available for the second year.

The state board of education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions of the Faribault academies.

In the next biennial budget, the state board of education must assess its progress in meeting its established performance measures for the Faribault academies and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 8. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education for the fiscal years indicated:

\$4,738,000 1994

\$4,738,000 1995

Any balance in the first year does not cancel but is available in the second year.

The center must provide assistance to the department of education for learner outcome development and assessment in the arts. If a reduction in programs is required under this section, no more than 40 percent of the reduction shall occur in resource center programs.

\$38,000 each year is for grants according to section 124C.08. The center must provide technical assistance as necessary.

The Minnesota center for arts education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions.

In the next biennial budget, the Minnesota center for arts education must assess its progress in meeting its established performance measures and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, section 126A.03, is repealed.

ARTICLE 12

MANDATE REPEALS

OMNIBUS EDUCATION MANDATE REPEAL ACT TO PROMOTE LOCAL FLEXIBILITY AND INNOVATION IN THE CLASSROOM

Section 1. [PURPOSE.]

The legislature recognizes the need to give communities more local control over education so they can better fulfill the public school system's mission of ensuring individual academic achievement, an informed citizenry, and a highly productive work force. The purpose of this act is to repeal or modify restrictive and unnecessary mandates that hamper flexibility and innovation. The state's focus should be on performance rather than procedures. By decentralizing decision-making and emphasizing result-oriented rulemaking, this act also furthers the legislature's goal of moving from a means-based system of education to one that is accountable for outcomes.

MINNESOTA STATUTES

Sec. 2. Minnesota Statutes 1992, section 121.11, subdivision 7, is amended to read:

Subd. 7. [GENERAL SUPERVISION OVER EDUCATIONAL AGENCIES.] The state board of education shall adopt goals for and exercise general supervision over public schools and public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and suggested courses of study. The board shall develop a plan to attain the adopted goals. At the board's request, the commissioner may assign department of education staff to assist the board in attaining its goals. The commissioner shall explain to the board in writing any reason for refusing or delaying a request for staff assistance. ~~The board shall establish rules relating to examinations, reports, acceptances of schools,~~

courses of study, and other proceedings in connection with elementary and secondary schools applying for special state aid. The state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

Sec. 3. Minnesota Statutes 1992, section 121.11, is amended by adding a subdivision to read:

Subd. 7b. [ADMINISTRATIVE RULES.] The state board may adopt new rules and amend them or amend any of its existing rules only under specific authority. The state board may repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management. This subdivision shall not prohibit the state board from making technical changes or corrections to its rules.

Sec. 4. Minnesota Statutes 1992, section 121.11, is amended by adding a subdivision to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning high school in 1996. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

Sec. 5. Minnesota Statutes 1992, section 121.11, is amended by adding a subdivision to read:

Subd. 7d. [DESEGREGATION, INCLUSIVE EDUCATION, AND LICENSURE RULES.] The state board may make rules relating to desegregation, inclusive education, and licensure of school personnel not licensed by the board of teaching.

Sec. 6. Minnesota Statutes 1992, section 121.11, subdivision 12, is amended to read:

Subd. 12. [ADMINISTRATIVE RULES TEACHER RULE VARIANCES.] The state board may adopt new rules only upon specific authority other than under this subdivision. The state board may amend or repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management. Notwithstanding any law to the contrary, and only upon receiving the agreement of the state board of teaching, the state board of education may grant a variance to its rules governing licensure of teachers for those teachers licensed by the board of teaching. The state board may grant a variance, without the agreement of the board of teaching, to its rules governing licensure of teachers for those teachers it licenses.

Sec. 7. Minnesota Statutes 1992, section 121.14, is amended to read:

121.14 [RECOMMENDATIONS; BUDGET.]

The state board and the commissioner of education shall recommend to the governor and legislature such modification and unification of laws relating to

the state system of education as shall make those laws more readily understood and more effective in execution. ~~The state board and~~ The commissioner of education shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid.

Sec. 8. Minnesota Statutes 1992, section 121.585, subdivision 2, is amended to read:

Subd. 2. [STATE BOARD DESIGNATION.] An area learning center designated by the state must be a site. ~~Up to an additional ten learning year sites may be designated by the state board of education.~~ To be designated, a district or center must demonstrate to the commissioner of education that it will:

(1) provide a program of instruction that permits pupils to receive instruction throughout the entire year; and

(2) maintain a record system that, for purposes of section 124.17, permits identification of membership attributable to pupils participating in the program. The record system and identification must ensure that the program will not have the effect of increasing the total number of pupil units attributable to an individual pupil as a result of a learning year program.

Sec. 9. Minnesota Statutes 1992, section 121.88, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Each school board may initiate a community education program in its district and provide for the general supervision of the program. Each board may, as it considers appropriate, employ community education directors and coordinators to further the purposes of the community education program. ~~The salaries of the directors and coordinators shall be paid by the board.~~

Sec. 10. Minnesota Statutes 1992, section 121.88, subdivision 7, is amended to read:

Subd. 7. [PROGRAM APPROVAL.] To be eligible for revenue for the program for adults with disabilities, a program and budget must receive approval from the community education section in the department of education. Approval may be for ~~one or two~~ five years. *During that time, a school board must report any significant changes to the department for approval.* For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval must include all of the following:

- (1) characteristics of the people to be served;
- (2) description of the program services and activities;
- (3) program budget and amount of aid requested;
- (4) participation by adults with disabilities in developing the program;
- (5) assessment of the needs of adults with disabilities; and
- (6) cooperative efforts with community organizations.

Sec. 11. Minnesota Statutes 1992, section 121.904, subdivision 14, is amended to read:

Subd. 14. The ~~state board~~ *commissioner* shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify.

Sec. 12. Minnesota Statutes 1992, section 121.906, is amended to read:

121.906 [EXPENDITURES; REPORTING.]

~~Subdivision 1.~~ School district expenditures shall be recognized and reported on the district books of account in accordance with this section.

~~Subd. 2. [RECOGNITION OF EXPENDITURES AND LIABILITIES.]~~ There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.

~~Subd. 3. [PURCHASE ORDERS OTHER THAN INVENTORY.]~~ Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year in which the liability is incurred.

~~Subd. 4.~~ Inventory supply items may be recorded as expenditures at the time of the issuance of the purchase order or at the time of delivery to the school district's subordinate unit or other consumer of the item.

~~Subd. 5.~~ Salaries and wages shall be recorded as expenditures in the fiscal year in which the personal services are performed.

~~Subd. 6.~~ Other payable items shall be recorded in the fiscal year in which the liability is incurred.

~~Subd. 7.~~ Deviations from the principles set forth in this section shall be evaluated and explained in footnotes to audited financial statements.

Sec. 13. Minnesota Statutes 1992, section 121.908, subdivision 1, is amended to read:

Subdivision 1. ~~On or before June 30, 1977,~~ Each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in ~~section 121.902~~ *guidelines adopted by the department of education.*

Sec. 14. Minnesota Statutes 1992, section 121.908, subdivision 2, is amended to read:

Subd. 2. Each district shall submit to the commissioner by August 15 of each year an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner ~~after consultation with the advisory council on uniform financial accounting and reporting standards.~~

Sec. 15. Minnesota Statutes 1992, section 123.34, subdivision 10, is amended to read:

Subd. 10. [PRINCIPALS.] Each public school building, as defined by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent

school district shall *may* be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.

Each principal assigned the responsibility for the supervision of a school building shall hold a valid license in the assigned position of supervision and administration as established by the rules of the state board of education.

The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules, and regulations of the board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

Sec. 16. Minnesota Statutes 1992, section 123.35, subdivision 1, is amended to read:

Subdivision 1. The board shall have the general charge of the business of the district, the school houses, and of the interests of the schools thereof. *The board's authority to conduct the business of the district includes implied powers in addition to any specific powers granted by the legislature.*

Sec. 17. Minnesota Statutes 1992, section 123.80, subdivision 1, is amended to read:

Subdivision 1. ~~The state board of education shall provide by rule a program of safety education for students who are transported to school. Each district receiving aid under the provisions of section 124.225 shall implement the program. In drafting said rules, the board shall give particular attention to procedures for loading, unloading, vehicle lane crossing and emergency evacuation procedures as they affect school buses. provide bus safety education for students who are transported to school.~~

Sec. 18. Minnesota Statutes 1992, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district operating a program pursuant to sections 120.59 to 120.67 or 125.701 to 125.705, or operating a commissioner-designated area learning center program under section 124C.49, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule for that program throughout the calendar year so long as the number of instructional hours in the year is not less than the number of instructional hours per day specified in the rules of the state board multiplied by the minimum number of instructional days required by subdivision 4.

Sec. 19. Minnesota Statutes 1992, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] To receive aid under this section, a district must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Adult basic education programs may be approved under this subdivision for up to two five years. ~~Two-year~~ Five-year program approval shall be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

(2) provide a participatory and experimental learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 20. Minnesota Statutes 1992, section 124.2713, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for community education revenue, a district must:

(1) operate a community education program that complies with section 121.88; and

(2) file a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that a meeting was held to discuss methods of increasing cooperation among the governing boards of each county, city, and township in which the district, or any part of the district, is located, and that each governing board was sent a written notice of the meeting at least 45 working days before the meeting. The failure of a governing board to attend the meeting shall not affect the authority of the district to obtain community education revenue.

Sec. 21. Minnesota Statutes 1992, section 125.032, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] A person who teaches in a community education program which qualifies for aid pursuant to section 124.26 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for community education aid pursuant to section 124.2713 or early childhood and family education aid pursuant to section 124.2711 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching or be subject to section 171.35. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 125.12, subdivision 1, or 125.17, subdivision 1, clause (a).

Sec. 22. [125.706] [PREPARATION TIME.]

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under Minnesota Statutes, chapter 179A, must include provisions for preparation time or a

provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of instructional time, a minimum of five minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers.

Sec. 23. [125.80] [TEACHER LUNCH PERIOD.]

Each teacher shall be provided with a duty-free lunch period, scheduled according to school board policy or negotiated agreement.

Sec. 24. [126.116] [NO MANDATES WITHOUT MONEY.]

A school district is not required to comply with a state mandate, as defined in section 3.881, if the mandate affects the daily operation of schools, the authority of school boards to establish locally developed education policies, changes in the school district's curriculum, or other changes in the school district's spending priorities until the additional revenue needed to pay for the mandate is identified.

Sec. 25. [126.681] [EVALUATION OF PUPIL GROWTH AND PROGRESS; PERMANENT RECORDS.]

Each school district shall provide a testing program for the purpose of measuring pupil growth and for curriculum evaluation, as well as a system for grading and making reports to parents. Each district shall develop an appropriate program of pupil progress and promotion for its elementary, middle, and secondary schools. Each district shall keep accurate and complete individual, permanent, cumulative personal records for all pupils.

Sec. 26. [126.699] [PARENTAL CURRICULUM REVIEW.]

Each school district shall have a procedure for a parent, guardian, or an adult student, 18 years of age or older, to review the content of the instructional materials to be provided to a minor child or to an adult student and, if the parent, guardian, or adult student objects to the content, to make reasonable arrangements with school personnel for alternative instruction. Alternative instruction may be provided by the parent, guardian, or adult student if the alternative instruction, if any, offered by the school board does not meet the concerns of the parent, guardian, or adult student. The school board is not required to pay for the costs of alternative instruction provided by a parent, guardian, or adult student. School personnel may not impose an academic or other penalty upon a student merely for arranging alternative instruction under this section. School personnel may evaluate and assess the quality of the student's work.

Sec. 27. Minnesota Statutes 1992, section 127.455, is amended to read:

127.455 [MODEL POLICY.]

The commissioner of education shall maintain and make available to school boards a model sexual and racial harassment and violence policy. The model policy shall address the requirements of section 127.46.

Each school board shall submit to the commissioner of education a copy of the sexual *and racial* harassment and sexual *and racial* violence policy the board has adopted.

Sec. 28. Minnesota Statutes 1992, section 127.46, is amended to read:

127.46 [SEXUAL AND RACIAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual *and racial* harassment and sexual *and racial* violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted throughout each school building and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual *and racial* harassment and violence policy with students and school employees.

Sec. 29. Minnesota Statutes 1992, section 144.29, is amended to read:

144.29 [HEALTH RECORDS; CHILDREN OF SCHOOL AGE.]

It shall be the duty of every school nurse, school physician, school attendance officer, superintendent of schools, principal, teacher, and of the persons charged with the duty of compiling and keeping the school census records, to cause a permanent public health record to be kept for each child of school age. Such record shall be kept in such form that it may be transferred with the child to any school which the child shall attend within the state and transferred to the commissioner when the child ceases to attend school. It shall contain a record of such health matters as shall be prescribed by the commissioner, and of all mental and physical defects and handicaps which might permanently cripple or handicap the child. Nothing in sections 144.29 to 144.32 shall be construed to require any child whose parent or guardian objects in writing thereto to undergo a physical or medical examination or treatment. A copy shall be forwarded to the proper department of any state to which the child shall remove. *Each district shall assign a teacher, school nurse, or other professional person to review, at the beginning of each school year, the health record of all pupils under the assignee's direction. Growth, results of vision and hearing screening, and findings obtained from health assessments must be entered periodically on the pupil's health record.*

Sec. 30. [REPEALER.]

(a) *Minnesota Statutes 1992, sections 120.095; 120.101, subdivision 5a and 5b; 120.75, subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6 and 13; 121.165; 121.19; 121.49; 121.496; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5; 121.931, subdivisions 6, 6a, 7, and 8; 121.934; 121.936 subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.61; 123.67; 123.709; 123.744; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 125.12; subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.09;*

126.111; 126.112; 126.20, subdivision 4; 126.24; and 126.268, are repealed.

(b) *Minnesota Statutes 1992, section 121.11, subdivision 15, is repealed.*

(c) *Minnesota Statutes 1992, sections 121.11, subdivision 16; 121.585, subdivision 3; 124.19, subdivisions 1, 1b, 6, and 7; 126.02; 126.025; 126.031; 126.06; 126.08; 126.12, subdivision 2; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12, are repealed.*

Sec. 31. [EFFECTIVE DATE.]

Section 24 is effective September 1, 1993, to apply to new state mandates that take effect after August 31, 1993.

Section 30, paragraph (b), is effective July 1, 1995. Section 30, paragraph (c), is effective August 1, 1996.

MINNESOTA RULES

Sec. 32. [TASK FORCE ON EDUCATION FOR CHILDREN WITH DISABILITIES.]

Subdivision 1. [MEMBERSHIP.] The task force on education for children with disabilities consists of 15 members appointed by the commissioner of education. The membership shall include parents of children with disabilities, students with disabilities, special education teachers and general education teachers, school administrators, special education directors, representatives of higher education, representatives of advocacy organizations for children with disabilities, and no more than one representative of state government. At least five members shall be parents of children with disabilities or representatives of advocacy groups. One member shall be a student with a disability. The membership representing children with disabilities shall reflect the student population according to special education service categories.

Subd. 2. [DUTIES.] The task force established by subdivision 1 shall review the educational needs of children with disabilities and the current system of services, including the state and federal regulatory scheme and associated costs, and recommend ways to remove barriers to effective education and improve measurable learner outcomes. The task force shall make recommendations to:

(1) reduce paperwork and other administrative burdens on classroom teachers to increase the amount of time they spend educating students;

(2) improve access to effective education for children with disabilities by increased coordination of special and general education services, including staff development programs;

(3) assure that education for children with disabilities is outcome-based while maintaining due process protections for students and their families; and

(4) eliminate duplication in the regulatory scheme.

Subd. 3. [STAFF SUPPORT.] The department of education and any other state agency shall provide information and other assistance requested by the task force.

Subd. 4. [REPORT.] The task force shall report to the chairs of the house and senate education committees its findings and recommendations by January 15, 1994.

Sec. 33. [SCHOOL BUS SAFETY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The school bus safety task force consists of 15 members appointed jointly by the commissioners of education and public safety. The membership shall include a representative of each department, a student school bus rider, a parent of a school-age child using school transportation, a representative of the Minnesota state patrol, school transportation managers, school board members, a representative of a public transit authority not affiliated with schools, and school bus mechanics, manufacturers, or other school bus industry representatives. The commissioners of education and public safety shall call the first meeting, at which a chair shall be elected.

Subd. 2. [DUTIES.] The task force established by subdivision 1 shall review state and federal statutes and administrative rules relating to school bus design and safety and make recommendations to eliminate duplication and otherwise streamline the regulatory scheme. The task force shall examine the feasibility of converting current administrative rules governing school bus design to guidelines administered either by the department of education or public safety.

Subd. 3. [REPORT.] The task force shall report to the chairs of the senate and house education committees its findings and recommendations by January 15, 1994.

Sec. 34. [OUTCOME-BASED LICENSURE OF TEACHERS AND ADMINISTRATORS.]

Rules adopted by the state board of education and the board of teaching regarding licensure of teachers or administrators shall, to the extent possible, be outcome-based and clearly related to the results-oriented graduation rule to be implemented starting with students entering high school in 1996. The boards shall develop outcomes relating to flexible school-based organizational structures and inclusive instructional strategies. Each board shall report to the legislature on the status of its licensure rules by February 15, 1995. The reports shall explain how the rules are outcome-based and how they relate to learner outcomes for students.

Sec. 35. [SCHOOL DESEGREGATION STUDY.]

*Subdivision 1. [TASK FORCE ESTABLISHED.] The task force established by subdivision 2 shall review the status of school desegregation in Minnesota under the current state board of education rule and recommend changes designed to better fulfill the promise of equal educational opportunity articulated in the landmark United States Supreme Court case of *Brown v. Board of Education*.*

Subd. 2. [MEMBERSHIP.] The task force consists of:

(1) one member appointed by the National Association for the Advancement of Colored People;

(2) one member appointed by the Urban League;

(3) one member appointed by the Minnesota Minority Lawyers Association;

(4) one member appointed by the council on Asian-Pacific Minnesotans;

(5) one member appointed by the Indian Affairs Council;

(6) one member appointed by the Council on Affairs of Spanish-speaking people;

(7) one member appointed by the school superintendent in each city of the first class;

(8) one parent appointed by the school board of each city of the first class; and

(9) one student appointed by the school board of each city of the first class.

The chair of the state board of education shall call the first meeting.

Subd. 3. [REPORT.] By December 1, 1993, the task force shall submit a report to the legislature containing its findings and recommendations.

Subd. 4. [SUSPENSION OF RULEMAKING.] The state board of education shall not begin the rulemaking process to amend the current desegregation rule prior to January 1, 1994.

Sec. 36. [DRIVER EDUCATION; COOPERATION WITH DEPARTMENT OF PUBLIC SAFETY.] The state board shall cooperate with the department of public safety to develop a single set of rules for driver education programs, whether public, private, or commercial.

Sec. 37. [VOCATIONAL PROGRAM STANDARDS.]

By August 1, 1996, the department of education shall develop program standards to replace rules in chapter 3505 governing approval of secondary vocational programs, including community-based cooperative vocational programs.

Sec. 38. [RULE CHANGE.]

The state board shall amend Minnesota Rules, part 3505.2400, to delete the requirement of annual submission of approval requests for secondary vocational education programs. The amendment is not subject to the rule-making provisions of chapter 14, but the state board must comply with section 14.38, subdivision 7, in adopting the amendment.

Sec. 39. [ARTS SCHOOL DEADLINE.]

The Minnesota center for arts education may extend the October 1 deadline specified in rule for admission to its high school if the school's enrollment is less than the maximum of 300.

Sec. 40. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400;

3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) *Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; 3520.5920; 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.*

(c) *Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600; and 3560, are repealed.*

(d) *Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500;*

8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506;
 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512;
 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710;
 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050;
 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120;
 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180;
 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300;
 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410;
 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620;
 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800;
 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900;
 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220;
 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340;
 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500;
 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700;
 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900;
 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000;
 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120;
 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100;
 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700,
 are repealed.

Sec. 41. [EFFECTIVE DATE.]

Section 40, paragraph (b), is effective August 1, 1994. Section 40, paragraph (c), is effective July 1, 1995. Section 40, paragraph (d), is effective August 1, 1996.

FEDERAL MANDATES

Sec. 42. [POLICY.]

It is the policy of the state of Minnesota to eliminate unnecessary restrictions on local decision-making in education. The legislature urges Congress and other federal rulemaking authorities to adopt this policy and repeal or modify federal mandates that run counter to its goals. Specifically, we request that Congress repeal United States Code, title 20, section 3194(a)(4)(A) and (B).

Sec. 43. [COMMUNICATION TO FEDERAL AUTHORITIES.]

The secretary of state shall send a copy of this article to Congress and other federal authorities that set education policy.

ARTICLE 13

STATE BOARD DUTIES

Section 1. Minnesota Statutes 1992, section 120.062, subdivision 5, is amended to read:

Subd. 5. [DESEGREGATION DISTRICT TRANSFERS.] (a) This subdivision applies to a transfer into or out of a district that has a desegregation plan approved by the state board commissioner of education.

(b) An application to transfer may be submitted at any time for enrollment beginning at any time.

(c) The parent or guardian of a pupil who is a resident of a district that has a desegregation plan must submit an application to the resident district. If the district accepts the application, it must forward the application to the nonresident district.

(d) The parent or guardian of a pupil who applies for enrollment in a nonresident district that has a desegregation plan must submit an application to the nonresident district.

(e) Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin.

(f) If an application is rejected, the district must state the reason for rejection in the notification. If a district that has a desegregation plan rejects an application for a reason related to the desegregation plan, the district must state with specificity how acceptance of the application would result in noncompliance with state board rules with respect to the school or program for which application was made.

(g) If an application is accepted, the parent or guardian must notify the nonresident district in writing within 15 calendar days of receiving the acceptance whether the pupil intends to enroll in the nonresident district. Notice of intention to enroll obligates the pupil to enroll in the nonresident district, unless the school boards of the resident and nonresident districts agree otherwise. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district at that time, unless the school boards of the resident and nonresident district agree otherwise.

(h) Within 15 calendar days of receiving the notice from the parent or guardian, the nonresident district shall notify the resident district in writing of the pupil's intention to enroll in the nonresident district.

(i) A pupil enrolled in a nonresident district under this subdivision is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.

(j) A pupil enrolled in a nonresident district and applying to transfer into or out of a district that has a desegregation plan must follow the procedures of this subdivision. For the purposes of this type of transfer, "resident district" means the nonresident district in which the pupil is enrolled at the time of application.

(k) A district that has a desegregation plan approved by the state board of education must accept or reject each individual application in a manner that will enable compliance with its desegregation plan.

Sec. 2. Minnesota Statutes 1992, section 120.0751, is amended to read:

120.0751 [STATE BOARD COMMISSIONER OF EDUCATION; ENROLLMENT EXCEPTIONS.]

Subdivision 1. The ~~state board of education~~ *commissioner* may permit a pupil to enroll in a school district of which the pupil is not a resident under this section.

Subd. 2. The pupil or the pupil's parent or guardian shall make application to the ~~state board commissioner~~, explaining the particular circumstances which make the nonresident district the appropriate district of attendance for the pupil. The application must be signed by the pupil's parent or guardian and the superintendent of the nonresident district.

Subd. 3. [CRITERIA FOR APPROVAL.] In approving or disapproving the application the ~~state board commissioner~~ shall consider the following:

(a) if the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075, whether attending school in the district of residence creates a particular hardship for the pupil; or

(b) if the pupil has been continuously enrolled for at least two years in a district of which the pupil was not a resident because of an error made in good faith about the actual district of residence, whether attending school in the district of residence creates a particular hardship for the pupil. If the ~~board commissioner~~ finds that a good faith error was made and that attending school in the district of residence would create a particular hardship for the siblings of that pupil or foster children of that pupil's parents, ~~it~~ *the commissioner* may separately approve an application for any or all of the siblings of the pupil who are related by blood, adoption, or marriage and for foster children of the pupil's parents.

Subd. 4. The ~~state board of education commissioner~~ shall render its decision in each case within 60 days of receiving the application in subdivision 2.

Subd. 5. The ~~department of education commissioner~~ shall provide the forms required by subdivision 2. ~~The state board of education~~ and shall adopt the procedures necessary to implement this section.

Subd. 6. [AID.] General education aid, capital expenditure facilities aid, capital expenditure equipment aid, and transportation aid for pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, 124.245, subdivision 6, and 124.225, subdivision 81.

Sec. 3. Minnesota Statutes 1992, section 120.75, subdivision 1, is amended to read:

Subdivision 1. Prior to the initiation of any fee not authorized or prohibited by sections 120.73 and 120.74, the local school board shall hold a public hearing within the district upon three weeks published notice in the district's official newspaper. The local school board shall notify the ~~state board commissioner~~ of any fee it proposes to initiate under this section. If within 45 days of this notification, the ~~state board commissioner~~ does not disapprove the proposed fee, the local school board may initiate the proposed fee.

Sec. 4. Minnesota Statutes 1992, section 121.15, subdivision 4, is amended to read:

Subd. 4. [CONDEMNATION OF SCHOOL BUILDINGS.] The commissioner may condemn school buildings and sites ~~that the state board of education determines are determined to be~~ unfit or unsafe for that use.

Sec. 5. Minnesota Statutes 1992, section 121.201, subdivision 1, is amended to read:

Subdivision 1. [~~RESPONSIBILITY OF BOARD COMMISSIONER.~~] The state board of education commissioner shall coordinate and may pay for support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and (a) have been denied access to educational opportunities because of the lack of support services or (b) are presently enrolled or (c) are contemplating enrollment in an educational program and would benefit from support services. The state board commissioner shall also be responsible for conducting in-service training for public and private agencies regarding the needs of hearing impaired persons in the adult education system.

Sec. 6. Minnesota Statutes 1992, section 121.201, subdivision 2, is amended to read:

Subd. 2. [SUPPORT SERVICES.] The state board commissioner may pay school districts or public or private community agencies for the following support services:

(a) Interpreter services to provide translation for an individual or a group of students; or

(b) Notetaker services to convert spoken language to written language when the student must maintain visual contact with other persons such as an interpreter or instructor.

Sec. 7. Minnesota Statutes 1992, section 121.9121, subdivision 1, is amended to read:

Subdivision 1. [~~STATE BOARD COMMISSIONER'S AUTHORIZATION.~~] The state board commissioner may authorize a board to transfer money from any fund or account other than the debt redemption fund to another fund or account according to this section.

Sec. 8. Minnesota Statutes 1992, section 121.9121, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] A board requesting authority to transfer money shall apply to the state board commissioner and provide information requested. The application shall indicate the law or rule prohibiting the desired transfer. It shall be signed by the superintendent and approved by the school board.

Sec. 9. Minnesota Statutes 1992, section 121.9121, subdivision 4, is amended to read:

Subd. 4. [APPROVAL STANDARD.] The state board commissioner may approve a request only when an event has occurred in a district that could not have been foreseen by the district. The event shall relate directly to the fund or account involved and to the amount to be transferred.

Sec. 10. Minnesota Statutes 1992, section 123.3513, is amended to read:

123.3513 [ADVANCED ACADEMIC CREDIT.]

A school district shall grant academic credit to a pupil attending an accelerated or advanced academic course offered by a higher education institution or a nonprofit public agency other than the district, if the pupil successfully completes the course attended and passes an examination approved by the district. If no comparable course is offered by the district, the

~~state board of education~~ commissioner shall determine the number of credits which shall be granted to a pupil who successfully completes and passes the course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the ~~state board of education~~ commissioner. The ~~state board's~~ commissioner's decision regarding the number of credits shall be final.

The credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each class and credits granted shall be included in the pupil's secondary school record.

Sec. 11. Minnesota Statutes 1992, section 123.3514, subdivision 5, is amended to read:

Subd. 5. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A school district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Nine quarter or six semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A school district shall also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district shall, as soon as possible, notify the ~~state board of education~~ commissioner, which shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the ~~state board of education~~ commissioner. The ~~state board's~~ commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and secondary credits granted shall be included in the pupil's secondary school record. A pupil must provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record shall also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record shall indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution shall award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Sec. 12. Minnesota Statutes 1992, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The ~~state board of education~~ commissioner shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 13. Minnesota Statutes 1992, section 123.71, subdivision 1, is amended to read:

Subdivision 1. Every school board shall, no later than October 1, publish the revenue and expenditure budgets submitted to the commissioner of education in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the ~~state board of education~~ commissioner after consultation with the advisory council on uniform financial accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a qualified newspaper of general circulation in the district.

Sec. 14. Minnesota Statutes 1992, section 124.09, is amended to read:

124.09 [SCHOOL ENDOWMENT FUND, APPORTIONMENT.]

The school endowment fund shall be apportioned semiannually by the ~~state board~~ commissioner, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils in average daily membership during the preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

Sec. 15. Minnesota Statutes 1992, section 124.10, subdivision 1, is amended to read:

Subdivision 1. A copy of the apportionment of the school endowment fund shall be furnished by the ~~state board~~ commissioner to the commissioner of finance, who thereupon shall draw warrants on the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Sec. 16. Minnesota Statutes 1992, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The ~~state board~~ *commissioner* shall supervise distribution of school aids and grants in accordance with law. It may ~~make rules adopt guidelines~~ consistent with law for the distribution to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the ~~state board~~ *commissioner* shall not be subject to the contract approval procedures of the commissioner of administration or to chapter 16A or 16B. The commissioner of ~~education~~ shall adopt internal procedures for administration and monitoring of aids and grants.

Sec. 17. Minnesota Statutes 1992, section 124.17, subdivision 2c, is amended to read:

Subd. 2c. Notwithstanding subdivision 2, in cases when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or five consecutive school days during summer school or intercession classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the ~~state board~~ *commissioner*, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Sec. 18. Minnesota Statutes 1992, section 124.2725, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A school district is eligible for cooperation and combination revenue if it has a plan approved by the ~~state board of education~~ *commissioner* according to section 122.243.

Sec. 19. Minnesota Statutes 1992, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION.] If the ~~state board~~ *commissioner* disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, cooperation and combination revenue shall equal \$50 times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been \$50 times the actual pupil units. If the aid is insufficient to recover the entire amount, the ~~department of education~~ *commissioner* shall reduce other aids due the district to recover the entire amount. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been \$50 times the actual pupil units. A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Sec. 20. Minnesota Statutes 1992, section 124.276, subdivision 3, is amended to read:

Subd. 3. [STATE BOARD COMMISSIONER APPROVAL.] The ~~state board~~ *commissioner* may approve plans and applications for districts throughout the

state for career teacher aid. Application procedures and deadlines shall be established by the ~~state board~~ *commissioner*.

Sec. 21. Minnesota Statutes 1992, section 124.48, subdivision 1, is amended to read:

Subdivision 1. [AWARDS.] The ~~state board~~ *commissioner*, with the advice and counsel of the Minnesota Indian scholarship committee, may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the ~~board~~ *commissioner*, has the capabilities to benefit from further education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The total cost of education includes all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on the total cost of the student's education and a standardized need analysis. The amount and type of each scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective. Scholarships may not be given to any Indian student for more than five years of study without special approval of the Minnesota Indian scholarship committee.

Sec. 22. Minnesota Statutes 1992, section 124.48, subdivision 3, is amended to read:

Subd. 3. [INDIAN SCHOLARSHIP COMMITTEE.] The Minnesota Indian scholarship committee is established. Members shall be appointed by the ~~state board~~ *commissioner* with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The ~~state board~~ *commissioner* shall determine the membership terms and duration of the committee, which expires no later than the date provided in section 15.059, subdivision 5. The committee shall provide advice to the ~~state board~~ *commissioner* in awarding scholarships to eligible American Indian students and in administering the ~~state board's~~ *commissioner's* duties regarding awarding of American Indian post-secondary preparation grants to school districts.

Sec. 23. Minnesota Statutes 1992, section 124.481, is amended to read:

124.481 [INDIAN POST-SECONDARY PREPARATION GRANTS.]

The ~~state board of education~~ *commissioner*, with the advice of the Minnesota Indian scholarship committee, may make grants to school districts to support post-secondary preparation for secondary pupils who are of one-fourth or more Indian ancestry and who, in the opinion of the superin-

tendent, have the capabilities to benefit from higher education. Distribution of the grants must be in accordance with a plan prepared by the ~~state board commissioner~~, with the advice of the Minnesota Indian scholarship committee, that describes the objectives and methods of implementing the grant program, including the manner in which grants will be distributed in proportion to the geographical distribution of the Indian population of the state.

Sec. 24. Minnesota Statutes 1992, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the ~~state department of education commissioner~~ and operated in accordance with rules promulgated by the ~~state board of education~~. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The ~~state board of education~~ shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the ~~state board of education~~. Licensed personnel means persons holding a valid secondary vocational license issued by the ~~department of education commissioner~~, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the ~~department of education commissioner~~ or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 25. Minnesota Statutes 1992, section 124A.27, subdivision 2, is amended to read:

Subd. 2. [STATE ASSISTANCE.] The ~~state board of education and the commissioner of education~~ shall provide assistance to school boards offering the programs enumerated in this section. The ~~state board or commissioner~~ may establish an advisory committee for any program area. Technical assistance shall be provided commensurate with school board and district needs. ~~State board of education~~ rules apply to all programs or portions of programs offered.

Sec. 26. Minnesota Statutes 1992, section 125.185, subdivision 6, is amended to read:

Subd. 6. ~~The state board of education~~ *commissioner* shall provide all necessary materials and assistance for the transaction of the business of the board of teaching and all moneys received by the board of teaching shall be paid into the state treasury as provided by law. The expenses of administering sections 125.01 to 125.187 which are incurred by the board of teaching shall be paid for from appropriations made to the board of teaching.

Sec. 27. Minnesota Statutes 1992, section 126.151, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS OF THE ORGANIZATION.] ~~The commissioner and the state boards of education and board of technical colleges~~ may retain dues and other money collected on behalf of students participating in approved vocational student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary and secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

Sec. 28. Minnesota Statutes 1992, section 126.239, subdivision 3, is amended to read:

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools whose circumstances make state payment advisable. ~~The state board of education commissioner~~ shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the ~~state board commissioner~~. ~~The state board commissioner~~ may also determine the circumstances under which the fee is subsidized, in whole or in part. ~~The state board commissioner~~ shall determine procedures for state payments of fees.

Sec. 29. Minnesota Statutes, 1992, section 126.267, is amended to read:

126.267 [TECHNICAL ASSISTANCE.]

The ~~state board of education commissioner~~ shall provide technical assistance to school districts receiving aid pursuant to section 124.273 and to post-secondary institutions for preservice and in-service training for bilingual education teachers and English as a second language teachers employed in educational programs for limited English proficient students, teaching methods, curriculum development, testing and testing mechanisms, and the development of instructional materials for these educational programs.

Sec. 30. Minnesota Statutes 1992, section 126.52, subdivision 8, is amended to read:

Subd. 8. [TECHNICAL ASSISTANCE.] ~~The state board commissioner~~ shall provide technical assistance to school districts, schools and post-secondary institutions for preservice and in-service training for American

Indian education teachers and teacher's aides, teaching methods, curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 31. Minnesota Statutes 1992, section 126.52, subdivision 9, is amended to read:

Subd. 9. [APPLICATION FOR FUNDS.] The ~~state board~~ *commissioner* shall apply for money which may be available under federal programs for American Indian education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.

Sec. 32. Minnesota Statutes 1992, section 126.56, subdivision 6, is amended to read:

Subd. 6. [INFORMATION.] The ~~higher education coordinating board~~ *commissioner*, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs.

Sec. 33. Minnesota Statutes 1992, section 126.56, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The ~~state board of education and the higher education coordinating board~~ *commissioner* shall determine the time and manner for scholarship applications, awards, and program approval."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; raising income tax rates; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 16A.1541; 120.062, subdivision 9; 120.0621, by adding a subdivision; 120.064, subdivisions 1, 3, 4, 5, 8, 9, 11, 18, 21, and by adding a subdivision; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.105; 120.17, subdivisions 2, 3, 11a, 11b, 12, 14, 15, and by adding subdivisions; 121.11, subdivisions 7, 12, and by adding subdivisions; 121.14; 121.16, subdivision 1; 121.585, subdivision 2; 121.612, subdivisions 2 and 4; 121.831; 121.87, subdivision 1; 121.88, subdivisions 1, 4, 7, and 10; 121.904, subdivisions 4a and 14; 121.906; 121.908, subdivisions 1 and 2; 121.912, subdivision 6; 121.931, subdivision 5; 122.23, subdivision 18, and by adding a subdivision; 122.243, subdivision 2; 122.895, subdivision 2, and by adding a subdivision; 123.33, by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, subdivision 1; 123.3514, subdivisions 6, 6b, and 6c; 123.36, by adding a subdivision; 123.38, subdivisions 2 and 2b; 123.39, by adding a subdivision; 123.702, subdivisions 1, 1a, 3, and 5; 123.7045; 123.80, subdivision 1; 123.951; 124.17, subdivisions 1, 1, and by adding a subdivision; 124.19, subdivisions 1, 4, 5, and 5; 124.195, subdivisions 9, 9, and 10; 124.225, subdivisions 1, 1, 3a, 7b, 7d, 7e, 8a, and 10; 124.226, subdivisions 3, 5, 9, and by adding a subdivision; 124.243, subdivisions 2, 2a, 3, 6, and by adding a subdivision; 124.244, subdivisions 1 and 2; 124.245, subdivision 6; 124.26, subdivisions 1c and 2; 124.2601, subdivisions 4 and 6; 124.2615, subdivisions 2 and 3; 124.2711, subdivisions 1, 2a, and by adding subdivisions; 124.2713, subdivisions 2, 6, and by adding

subdivisions; 124.2714; 124.2716; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.2727; 124.273, subdivision 1b, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding subdivisions; 124.321, subdivisions 1 and 2; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.431, subdivisions 1a and 14; 124.573, subdivisions 2b, 3, and by adding subdivisions; 124.574, subdivision 2b; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.85, subdivisions 1, 4, and 5; 124.91, subdivision 5; 124.912, by adding a subdivision; 124.914, by adding a subdivision; 124.916, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, 3, 3, and 4; 124.961; 124A.02, by adding a subdivision; 124A.03, subdivisions 1e, 1f, 1g, and by adding a subdivision; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 4, 4a, 5, 6, 9, and by adding subdivisions; 124A.23, subdivisions 1, 5, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.291; 124C.08, subdivisions 1 and 2; 124C.09; 124C.48, by adding a subdivision; 125.032, subdivision 2; 125.05, subdivisions 1a and 1a; 125.138; 126.22, subdivision 8; 126.67, subdivision 8; 126.70; 127.455; 127.46; 128B.10, subdivision 1; 144.29; 144.4165; 171.29, subdivision 2; 273.1398, subdivision 2a; 275.065, subdivision 6; 275.48; 290.06, subdivisions 2c and 2d; 290.091, subdivisions 1, 2, and 6; 475.61; subdivision 3; and 609.685, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; 124A; 124C; 125; 126; 126B; 128A; and 290; repealing Minnesota Statutes 1992, sections 120.095; 120.101, subdivisions 5a and 5b; 120.75; subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6, 13, 15, and 16; 121.165; 121.19; 121.49; 121.496; 121.585, subdivision 3; 121.609; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5; 121.931; subdivisions 6, 6a, 7, and 8; 121.934; 121.935; 121.936, subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 122.91; 122.95; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.351; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.58; 123.61; 123.67; 123.709; 123.744; 124.19, subdivisions 1, 1b, 6, and 7; 124.197; 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; 124.32, subdivision 5; 124.331; 124.332; 124.333; 124.573, subdivisions 2c and 2d; 124.575, subdivisions 2 and 4; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 124.912, subdivisions 4 and 5; 124A.26, subdivision 1a; 124A.27, subdivision 1; 125.05; subdivision 1b; 125.12, subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.02; 126.025; 126.031; 126.06; 126.08; 126.09; 126.111; 126.112; 126.12, subdivision 2; 126.20, subdivision 4; 126.24; 126.268; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12; Laws 1991, chapter 265, article 4, section 29; Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14; Laws 1991, chapter 265, article 1, section 30; Laws 1991, chapter 265, article 2, section 19."

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1620: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

Under the rules of the Senate, laid over one day.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 11:00 a.m. The motion prevailed.

The hour of 11:00 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1407: Mr. Stumpf, Ms. Wiener, Mr. Price, Mrs. Benson, J.E. and Mr. Solon.

H.F. No. 163: Messrs. Marty; Johnson, D.E.; Luther; Chandler and Ms. Reichgott.

S.F. No. 1570: Messrs. Morse, Merriam; Laidig, Ms. Johnson, J.B. and Mr. Lessard.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1496 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7,

section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kelly	McGowan	Pogemiller
Anderson	Finn	Krentz	Merriam	Price
Beckman	Flynn	Kroening	Moe, R.D.	Ranum
Berg	Frederickson	Laidig	Mondale	Reichgott
Berglin	Hottinger	Langseth	Morse	Riveness
Bertram	Janezich	Larson	Murphy	Sams
Chandler	Johnson, D.E.	Lesewski	Neuville	Samuelson
Chmielewski	Johnson, D.J.	Lessard	Novak	Spear
Cohen	Johnson, J.B.	Luther	Pappas	Stevens
Day	Johnston	Marty	Piper	Vickerman

Those who voted in the negative were:

Belanger	Benson, J.E.	Oliver	Pariseau	Runbeck
Benson, D.D.	Kiscaden	Olson	Robertson	Terwilliger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1709 be taken from the table. The motion prevailed.

H.F. No. 1709: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1709 and that the rules of the Senate be so far suspended as to give H.F. No. 1709 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1709 was read the second time.

Mr. Langseth moved to amend H.F. No. 1709 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1709, and insert the language after the enacting clause, and the title, of S.F. No. 1251, the third engrossment.

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 1709, as amended by the Senate April 23, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 12, after line 24, insert:

“Sec. 9. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XIV, section 12, will read:

Sec. 12. The net proceeds of any tax levied on the purchase price of a motor vehicle, acquired either in or outside of the state and required to be registered under the laws of this state, must be credited to the highway user tax distribution fund and to a transit assistance fund according to the following schedule:

- (1) for the period July 1, 1995, to June 30, 1997, 50 percent;
- (2) for the period July 1, 1997, to June 30, 1998, 60 percent;
- (3) for the period July 1, 1998, to June 30, 1999, 70 percent;
- (4) for the period July 1, 1999, to June 30, 2000, 80 percent;
- (5) for the period July 1, 2000, to June 30, 2001, 90 percent; and
- (6) after June 30, 2001, 100 percent.

Of these distributions, 75 percent must be allocated to the highway user tax distribution fund and 25 percent must be allocated to a transit assistance fund to be expended for transit-related purposes.

Sec. 10. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1994 general election. The question to be submitted is:

“Shall the Minnesota Constitution be amended to dedicate, over a six-year period, the proceeds of a tax on the purchase price of a motor vehicle to the highway user tax distribution fund and to a transit assistance fund?”

Yes

No” ”

Page 20, line 14, delete “and” and after “296.026” insert “; and 297B.09, subdivision 3,”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, before "defining" insert "proposing an amendment to the Minnesota Constitution, article XIV; dedicating net proceeds of motor vehicle excise tax to transportation and abolishing deposit of proceeds to local government trust fund;"

Page 1, line 22, delete "and" and after "296.026" insert "; and 297B.09, subdivision 3"

CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate for the balance of the proceedings on H.F. No. 1709. The Sergeant at Arms was instructed to bring in the absent members.

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

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

Those who voted in the affirmative were:

Belanger	Finn	Kiscaden	McGowan	Pariseau
Benson, J.E.	Frederickson	Knutson	Metzen	Robertson
Bertram	Hottinger	Laidig	Neuville	Runbeck
Chmielewski	Johnson, D.E.	Larson	Oliver	Stevens
Day	Johnston	Lesewski	Olson	Terwilliger

Those who voted in the negative were:

Adkins	Cohen	Langseth	Murphy	Riveness
Anderson	Flynn	Lessard	Novak	Sams
Beckman	Janezich	Luther	Pappas	Samuelson
Benson, D.D.	Johnson, D.J.	Marty	Piper	Solon
Berg	Johnson, J.B.	Merriam	Pogemiller	Spear
Berglin	Kelly	Moe, R.D.	Price	Stumpf
Betzold	Krentz	Mondale	Ranum	Vickerman
Chandler	Kroening	Morse	Reichgott	Wiener

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

Mr. Langseth moved to amend H.F. No. 1709, as amended by the Senate April 23, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Pages 1 to 11, delete sections 1 to 5 and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1993," "1994," and "1995," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

1993	1994	1995	TOTAL
General	\$ 42,115,000	\$ 42,015,000	\$ 84,130,000
Airports			
\$385,000	15,684,000	15,681,000	31,750,000
C.S.A.H.	246,890,000	247,890,000	494,780,000
Environmental	200,000	200,000	400,000
Highway User	11,551,000	11,458,000	23,009,000
M.S.A.S.	71,990,000	71,990,000	143,980,000
Special Revenue	792,000	792,000	1,584,000
Trunk Highway	750,154,000	756,353,000	1,506,507,000
Transfers to Other			
Direct	(2,398,000)	(2,346,000)	(4,744,000)
TOTAL			
\$385,000	1,136,978,000	1,144,033,000	2,281,396,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation	385,000	1,032,435,000	1,040,194,000
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The appropriations in this section are from the trunk highway fund, except when another fund is named.

Summary by Fund

General	9,183,000	9,183,000
Airports \$385,000	15,684,000	15,681,000
C.S.A.H.	246,890,000	247,890,000
Environmental	200,000	200,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	688,488,000	695,250,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Aeronautics	15,492,000	15,487,000
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This appropriation is from the state airports fund.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Airport Development and Assistance

1993	1994	1995
385,000	11,005,000	10,841,000

\$1,887,000 the first year and \$2,146,000 the second year are for navigational aids.

\$6,810,000 the first year and \$6,387,000 the second year are for airport construction grants.

\$2,100,000 the first year and \$2,100,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$200,000 the first year and \$200,000 the second year are for air service grants.

(b) Civil Air Patrol

65,000	65,000
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(c) Aeronautics Administration

4,422,000	4,581,000
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\$15,000 the first year and \$15,000 the second year are for the advisory council on metropolitan airport planning. The commissioner of transportation shall transfer these funds to the legislative co-

ordinating commission by July 15 of each year.(d) 1993 Deficiency Appropriation

\$385,000 is appropriated from the state airports fund, to be used in conjunction with funds provided by the Canadian government for airport construction at the Piney-Pine Creek Border Airport, and is available until the project is either completed or abandoned.

Subd. 3. Transit 9,087,000 9,089,000

Summary by Fund

General	8,789,000	8,789,000
Trunk Highway	298,000	300,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Greater Minnesota Transit Assistance

8,394,000 8,394,000

(b) Transit Administration

693,000 695,000

Summary by Fund

General	395,000	395,000
Trunk Highway	298,000	300,000

Subd. 4. Railroads and Waterways

1,134,000 1,134,000

Summary by Fund

General	241,000	241,000
Trunk Highway	893,000	893,000

Subd. 5. Motor Carrier Regulation

2,177,000 2,177,000

Summary by Fund

General	107,000	107,000
Trunk Highway	2,070,000	2,070,000

Subd. 6. Local Roads

319,950,000	320,950,000
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Summary by Fund

C.S.A.H.	246,890,000	247,890,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	1,070,000	1,070,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) County State Aids

246,890,000	247,890,000
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This appropriation is from the county state-aid highway fund and is available until spent.

(b) Municipal State Aids

71,990,000	71,990,000
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This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(c) State Aid Technical Assistance

1,070,000	1,070,000
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Subd. 7. State Road Construction	360,961,000	363,335,000
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Summary by Fund

Environmental	200,000	200,000
Trunk Highway	360,761,000	363,135,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

338,295,000 337,863,000

Summary by Fund

Environmental	200,000	200,000
Trunk Highway	338,095,000	337,663,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid

185,000,000 185,000,000

Highway User Taxes

153,095,000 152,663,000

The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on ways and means of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) Highway Debt Service

14,380,000 17,186,000

\$14,380,000 the first year and \$12,486,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

(c) Highway Program Administration

2,042,000 2,042,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

\$180,000 the first year and \$180,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

(d) Transportation Data Analysis

3,279,000 3,279,000

(e) Research and Strategic Initiatives

2,965,000 2,965,000

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 8. Highway Program Delivery	115,223,000	115,268,000
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(a) Design Engineering

50,493,000 50,538,000

(b) Construction Engineering

64,730,000 64,730,000

Subd. 9. State Road Operations	167,554,000	171,941,000
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(a) State Road Operations

157,994,000 162,381,000

(b) Electronic Communications

3,339,000 3,339,000

(c) Traffic Engineering

6,221,000 6,221,000

Subd. 10. Equipment	15,493,000	15,493,000
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Summary by Fund

General	5,000	5,000
Airports	59,000	59,000
Trunk Highway	15,429,000	15,429,000

If the appropriation for either year is

insufficient, the appropriation for the other year is available for it.

Subd. 11. General Administration 25,364,000 25,320,000

Summary by Fund

General	41,000	41,000
Airports	133,000	135,000
Trunk Highway	25,190,000	25,144,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Management

15,022,000 15,022,000

(b) General Services

8,718,000 8,672,000

Summary by Fund

General	41,000	41,000
Airports	75,000	75,000
Trunk Highway	8,602,000	8,556,000

\$2,045,000 the first year and \$2,045,000 the second year are for data processing development. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The commissioner of transportation shall manage the department of transportation in such a manner as to provide seasonal employees of the department with the maximum feasible amount of employment security consistent with the efficient delivery of department programs.

(c) Legal Services

1,566,000 1,566,000

This appropriation is for the purchase of legal services from or through the attorney general.

(d) Air Transportation Services

58,000 60,000

This appropriation is from the state airports fund.

Subd. 12. Transfers

The commissioner of transportation with

the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 13. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency, or to pay tort or environmental claims. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. REGIONAL TRANSIT BOARD

27,130,000 27,130,000

Of this amount, \$11,850,000 the first year and \$11,850,000 the second year are for the metropolitan transit commission. The regional transit board must not reduce this appropriation to the metropolitan transit commission.

\$12,670,000 the first year and \$12,670,000 the second year are for Metro Mobility. The regional transit board must not spend any money for metro mobility outside this appropriation.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 4. TRANSPORTATION REGULATION BOARD

705,000 707,000

This appropriation is from the trunk highway fund.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation	75,716,000	75,010,000
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Summary by Fund

General	5,802,000	5,702,000
Highway User	11,426,000	11,333,000
Special Revenue	792,000	792,000
Trunk Highway	60,094,000	59,529,000
Transfers to Other		
Direct	(2,398,000)	(2,346,000)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and Related Services

4,640,000	4,473,000
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Summary by Fund

General	552,000	522,000
Highway User	19,000	19,000
Trunk Highway	4,069,000	3,932,000

\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. State Patrol

40,437,000	39,520,000
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Summary by Fund

General	389,000	389,000
Highway User	90,000	90,000
Trunk Highway	39,958,000	39,041,000

During the biennium ending June 30, 1995, no more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

During the biennium ending June 30, 1995, the commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

Subd. 4. Driver and Vehicle Services

29,680,000	30,058,000
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Summary by Fund

General	3,567,000	3,534,000
Highway User	10,152,000	10,074,000
Trunk Highway	15,905,000	16,394,000
Special Revenue	56,000	56,000

This appropriation is from the bicycle transportation account in the special revenue fund.

\$553,000 the first year and \$1,105,000 the second year are for the development of new drivers' licenses and identification cards, to be issued beginning January 1, 1994, that are more difficult to alter.

\$43,000 the first year and \$43,000 the second year are transferred to the commissioner of human services for reimbursement for chemical use assessments of juveniles under Minnesota Statutes, section 260.151.

Subd. 5. Traffic Safety

223,000 223,000

Summary by Fund

General	61,000	61,000
Trunk Highway	162,000	162,000

Subd. 6. Pipeline Safety

736,000 736,000

This appropriation is from the pipeline safety account in the special revenue fund.

Subd. 7. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 8. Reimbursements

(a) \$1,233,000 the first year and \$1,196,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk

highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$449,000 the first year and \$434,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing."

Page 13, delete section 11

Pages 18 and 19, delete section 20

Page 20, delete section 23

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, delete everything before "establishing"

Page 1, delete lines 8 to 11

Page 1, line 17, delete everything after the first semicolon

Page 1, line 18, after the first semicolon, insert "and" and delete "and"

Page 1, line 19, delete everything before "proposing"

The motion prevailed. So the amendment was adopted.

H.F. No. 1709 was read the third time and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Kroening	Mondale	Pappas	Ranum
Chandler	Marty	Novak		

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Langseth moved that S.F. No. 1251, No. 231 on General Orders, be stricken and laid on the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1620 and that the rules of the Senate be so far suspended as to give S.F. No. 1620 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 1620 was read the second time.

S.F. No. 1620: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61; by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 397 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 397: A bill for an act relating to highways; allowing county state-aid highway money to be used for certain equipment for emergency responders; amending Minnesota Statutes 1992, section 162.08, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 801 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 801: A bill for an act relating to traffic regulations; requiring operating procedures for hand-held traffic radar; amending Minnesota Statutes 1992, section 169.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1276 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1276: A bill for an act relating to crime victims; restitution; requiring the deduction from a prison inmate's wages of unpaid restitution obligations from previous convictions; waiving fees for the docketing of a restitution order as a civil judgment; amending Minnesota Statutes 1992, sections 243.23, subdivision 3; and 611A.04, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 918 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 918: A bill for an act relating to civil actions; providing that the statute of limitations in section 541.051 governs materials incorporated into an improvement to real property; amending Minnesota Statutes 1992, section 336.2-725.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 739 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 739: A bill for an act relating to health; regulating ionization radiation; exempting practitioners of veterinary medicine from certain quality assurance tests; amending Minnesota Statutes 1992, section 144.121, by adding subdivisions.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

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

Ms. Kiscaden and Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 948 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 948: A bill for an act relating to insurance; property; regulating the FAIR plan; modifying its provisions; making various technical changes; amending Minnesota Statutes 1992, sections 65A.31; 65A.32; 65A.33, subdivisions 4, 5, and 6; 65A.34; 65A.35; 65A.36; 65A.37; 65A.375; 65A.38; 65A.39; 65A.40; 65A.41; and 65A.42; repealing Minnesota Statutes 1992, sections 65A.33, subdivision 8; and 65A.43.

Mr. Oliver moved to amend S.F. No. 948 as follows:

Page 9, line 29, before "At" insert "*Except as otherwise required under subdivision 4 or 5,*"

Page 10, line 33, delete "*plan*" and insert "*facility*" and delete "*fee*" and insert "*commission*"

Page 10, lines 34, 35, and 36, delete "*plan*" and insert "*facility*"

Page 11, line 1, delete "*plan*" and insert "*facility*"

The motion prevailed. So the amendment was adopted.

S.F. No. 948 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1408 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1408: A bill for an act relating to agriculture; redefining terms in the plant pest act; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; amending Minnesota Statutes 1992, section 18.46, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 886 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 886: A bill for an act relating to natural resources; regulating timber sales; increasing the value of sales requiring executive council approval and maximum lot value on auction sales; permitting the modification of timber permits damaged by natural cause; amending Minnesota Statutes 1992, section 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; and 90.201, by adding subdivisions.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 827 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 827: A bill for an act relating to racketeering; expanding the RICO law to include gambling crimes; authorizing the division of gambling enforcement to seize and forfeit property under the criminal forfeiture law; expanding the definition of criminal racketeering acts; amending Minnesota Statutes 1992, sections 609.531, subdivision 1; 609.76; and 609.902, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 806 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 806: A bill for an act relating to commerce; prohibiting smoking in designated nonsmoking hotel rooms; allowing reimbursement to innkeepers for actual costs resulting from violation; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 327.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chmielewski	Lesewski	Samuelson	Stevens	Terwilliger
Day	Neuville			

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 592 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 592: A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 4.

Mr. Cohen moved to amend H.F. No. 592 as follows:

Page 4, after line 30, insert:

"Sec. 7. Minnesota Statutes 1992, section 550.37, subdivision 12a, is amended to read:

Subd. 12a. *One motor vehicle to the extent of a value not exceeding \$2,000; or one motor vehicle to the extent of a value not exceeding \$20,000 that has been modified, at a cost of not less than \$1,500, to accommodate the physical disability making a disabled person eligible for a certificate authorized by section 169.345."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "increasing the exemption for motor vehicles modified to accommodate a disability;"

Page 1, line 6, delete the first "and" and before the period, insert "; and 550.37, subdivision 12a"

The motion prevailed. So the amendment was adopted.

H.F. No. 592 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 818 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 818: A bill for an act relating to education; post-secondary; prescribing changes in eligibility and in duties and responsibilities regarding certain financial assistance programs; amending Minnesota Statutes 1992, sections 136A.101, subdivision 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; and 136A.233, subdivisions 2 and 3; repealing Minnesota Statutes 1992, section 136A.121, subdivision 17.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1423 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1423: A bill for an act relating to unemployment compensation; modifying definitions; changing provisions relating to eligibility for and administration of unemployment compensation; amending Minnesota Statutes 1992, sections 268.04, subdivisions 4 and 12; 268.08, subdivisions 3 and 6; 268.09, subdivisions 1, 2, and 8; 268.10, subdivisions 2 and 6; 268.12, subdivision 12; 268.16, subdivision 4; and 268.161, subdivision 9.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1602 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1602: A bill for an act relating to cemeteries; providing for burials in the winter season; prohibiting relocation of cemeteries without the trustees' or owners' consent; proposing coding for new law in Minnesota Statutes, chapters 306; and 307.

Mr. Frederickson moved to amend S.F. No. 1602 as follows:

Page 1, after line 19, insert:

“Sec. 4. Minnesota Statutes 1992, section 375.37, is amended to read:

375.37 [“SOLDIERS’ REST” USED EXCLUSIVELY FOR SOLDIERS, SAILORS, MARINES AND WAR NURSES VETERANS AND SPOUSES.]

Any plot of ground secured and designated as a “soldiers’ rest” shall be used exclusively for the interment of deceased ~~soldiers, sailors, marines, and war nurses of the United States~~, *veterans, as defined in section 197.447, and spouses of veterans* without charge for space in it.”

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “clarifying the eligibility for burial in a soldiers rest plot; amending Minnesota Statutes 1992, section 375.37;”

The motion prevailed. So the amendment was adopted.

S.F. No. 1602 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berg	Day	Johnson, D.E.	Krentz
Anderson	Berglin	Dille	Johnson, J.B.	Kroening
Beckman	Bertram	Finn	Johnston	Laidig
Belanger	Betzold	Flynn	Kelly	Langseth
Benson, D.D.	Chandler	Frederickson	Kiscaden	Larson
Benson, J.E.	Chmielewski	Hottinger	Knutson	Lesewski

Lessard	Moe, R.D.	Oliver	Ranum	Spear
Luther	Mondale	Olson	Reichgott	Stevens
Marty	Morse	Pariseau	Riveness	Stumpf
McGowan	Murphy	Piper	Runbeck	Terwilliger
Merriam	Neuville	Pogemiller	Sams	Vickerman
Metzen	Novak	Price	Samuelson	Wiener

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

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

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. 919. The motion prevailed.

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

S.F. No. 878: A bill for an act relating to game and fish; allowing the taking of two deer in designated counties; amending Minnesota Statutes 1992, section 97B.301, subdivisions 2, 4, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

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

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

Delete the title and insert:

“A bill for an act relating to game and fish; allowing the taking of two deer in designated counties during the 1993 and 1994 hunting seasons.”

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

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 919: A bill for an act relating to crime; sentencing; clarifying terms relating to the sentencing of criminal offenders; making technical corrections to the new felony sentencing laws; revising current laws relating to mandatory supervised release of sex offenders; revising certain provisions of the challenge incarceration program; amending Minnesota Statutes 1992, sections 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 169.121, subdivision 3a; 238.16, subdivision 2; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivision 1b; 244.065; 244.101; 244.14, subdivision 3; 244.15, subdivision 1; 244.17, subdivision 3;

244.172, subdivisions 1 and 2; 244.171, subdivision 4; 299A.35, subdivision 2; 609.0341, subdivision 1; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivision 1; 609.1352, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.196; 609.229, subdivision 3; 609.346, subdivisions 2, 2b, and 5; 609.3461, subdivision 2; 609.582, subdivision 1a; 609.891, subdivision 2; 611A.06, subdivision 1; and 629.291, subdivision 1.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

SAFE STREETS AND SCHOOLS

Section 1. Minnesota Statutes 1992, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any of the following in a school zone, a park zone, or a public housing zone:

(i) any amount of a schedule I or II narcotic drug, or *lysergic acid diethylamide (LSD)*;

(ii) one or more mixtures containing methamphetamine or amphetamine; or

(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 2. Minnesota Statutes 1992, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) the person unlawfully possesses any amount of a schedule I or II narcotic drug or ten or more dosage units of lysergic acid diethylamide (LSD) in a school zone, a park zone, or a public housing zone;

(5) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, or a public housing zone.

Sec. 3. Minnesota Statutes 1992, section 471.633, is amended to read:

471.633 [FIREARMS.]

Subdivision 1. [GENERAL PREEMPTION.] *Except as otherwise provided in section 23, the legislature preempts all authority of a home rule charter or statutory city including a city of the first class, county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, to regulate firearms, ammunition, or their respective components to the complete exclusion of any order, ordinance, or regulation by them except that:*

~~(a)~~ (1) a governmental subdivision may regulate the discharge of firearms; and

~~(b)~~ (2) a governmental subdivision may adopt regulations identical to state law.

Subd. 2. [INCONSISTENT REGULATIONS VOID.] Local regulation inconsistent with this section is void.

Sec. 4. Minnesota Statutes 1992, section 609.06, is amended to read:

609.06 [AUTHORIZED USE OF FORCE.]

Subdivision 1. [WHEN AUTHORIZED.] Reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) When used by a public officer or one assisting a public officer under the public officer's direction:

(a) In effecting a lawful arrest; or

(b) In the execution of legal process; or

(c) In enforcing an order of the court; or

(d) In executing any other duty imposed upon the public officer by law; or

(2) When used by a person not a public officer in arresting another in the

cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) When used by any person in resisting or aiding another to resist an offense against the person; or

(4) When used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) When used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) When used by a parent, guardian, teacher or other lawful custodian of a child or pupil, in the exercise of lawful authority, to restrain or correct such child or pupil; or

(7) *When used by a school employee or school bus driver while engaged in the performance of the employee's or driver's official duties, to prevent bodily harm to another; or*

(8) When used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

(8) (9) When used to restrain a mentally ill or mentally defective person from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct or treatment; or

(9) (10) When used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct or treatment of the committed person.

Sec. 5. Minnesota Statutes 1992, section 609.531, is amended to read:

609.531 [FORFEITURES.]

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to ~~609.5317~~ 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources

division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Subd. 1a. [CONSTRUCTION.] Sections 609.531 to ~~609.5317~~ 609.5318 must be liberally construed to carry out the following remedial purposes:

(1) to enforce the law;

(2) to deter crime;

(3) to reduce the economic incentive to engage in criminal enterprise;

(4) to increase the pecuniary loss resulting from the detection of criminal activity; and

(5) to forfeit property unlawfully used or acquired and divert the property to law enforcement purposes.

Subd. 4. [SEIZURE.] Property subject to forfeiture under sections 609.531 to ~~609.5317~~ 609.5318 may be seized by the appropriate agency upon process issued by any court having jurisdiction over the property. Property may be seized without process if:

(1) the seizure is incident to a lawful arrest or a lawful search;

(2) the property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding under this chapter; or

(3) the appropriate agency has probable cause to believe that the delay occasioned by the necessity to obtain process would result in the removal or destruction of the property and that:

(i) the property was used or is intended to be used in commission of a felony; or

(ii) the property is dangerous to health or safety.

If property is seized without process under clause (3), subclause (i), the county attorney must institute a forfeiture action under section 609.5313 as soon as is reasonably possible.

Subd. 5. [RIGHT TO POSSESSION VESTS IMMEDIATELY; CUSTODY OF SEIZED PROPERTY.] All right, title, and interest in property subject to forfeiture under sections 609.531 to ~~609.5317~~ 609.5318 vests in the appropriate agency upon commission of the act or omission giving rise to the forfeiture. Any property seized under sections 609.531 to ~~609.5316~~ 609.5318 is not subject to replevin, but is deemed to be in the custody of the appropriate agency subject to the orders and decrees of the court having jurisdiction over the forfeiture proceedings. When property is so seized, the appropriate agency may:

- (1) place the property under seal;
- (2) remove the property to a place designated by it;
- (3) in the case of controlled substances, require the state board of pharmacy to take custody of the property and remove it to an appropriate location for disposition in accordance with law; and
- (4) take other steps reasonable and necessary to secure the property and prevent waste.

Subd. 5a. [BOND BY OWNER FOR POSSESSION.] If the owner of property that has been seized under sections 609.531 to ~~609.5317~~ 609.5318 seeks possession of the property before the forfeiture action is determined, the owner may, subject to the approval of the appropriate agency, give security or post bond payable to the appropriate agency in an amount equal to the retail value of the seized property. On posting the security or bond, the seized property must be returned to the owner and the forfeiture action shall proceed against the security as if it were the seized property. This subdivision does not apply to contraband property.

Subd. 6a. [FORFEITURE A CIVIL PROCEDURE; CONVICTION RESULTS IN PRESUMPTION.] (a) An action for forfeiture is a civil in rem action and is independent of any criminal prosecution, except as provided in this subdivision and section 609.5318. The appropriate agency handling the forfeiture has the benefit of the evidentiary presumption of section 609.5314, subdivision 1, but otherwise bears the burden of proving the act or omission giving rise to the forfeiture by clear and convincing evidence, except that in cases arising under section 609.5312, the designated offense may only be established by a ~~felony level~~ *felony-level* criminal conviction.

(b) A court may not issue an order of forfeiture under section 609.5311 while the alleged owner of the property is in custody and related criminal proceedings are pending against the alleged owner. For forfeiture of a motor vehicle, the alleged owner is the registered owner according to records of the department of public safety. For real property, the alleged owner is the owner of record. For other property, the alleged owner is the person notified by the prosecuting authority in filing the forfeiture action.

Sec. 6. Minnesota Statutes 1992, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is \$25 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is \$1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if: (1) if the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 609.5312, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON FORFEITURE OF PROPERTY ASSOCIATED WITH DESIGNATED OFFENSES.] (a) Property used by a person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the commission of a designated offense.

(b) Property is subject to forfeiture under this ~~subdivision~~ section only if the owner was privy to the act or omission upon which the forfeiture is based, or the act or omission occurred with the owner's knowledge or consent.

(c) Property encumbered by a bona fide security interest is subject to the interest of the secured party unless the party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(d) Notwithstanding paragraphs (b) and (c), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the act or omission upon which the forfeiture is based if the owner or secured party took reasonable steps to terminate use of the property by the offender.

Sec. 8. Minnesota Statutes 1992, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to:

- (i) controlled substances;
- (ii) forfeitable drug manufacturing or distributing equipment or devices; or
- (iii) forfeitable records of manufacture or distribution of controlled substances; ~~and~~

(2) all conveyance devices containing controlled substances with a retail value of \$100 or more if possession or sale of the controlled substance would be a felony under chapter 152; *and*

(3) *all firearms, ammunition, and firearm accessories found:*

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) A claimant of the property bears the burden to rebut this presumption.

Sec. 9. Minnesota Statutes 1992, section 609.5314, subdivision 3, is amended to read:

Subd. 3. [JUDICIAL DETERMINATION.] (a) Within 60 days following service of a notice of seizure and forfeiture under this section, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the county attorney for that county, and the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If the value of the seized property is less than \$500, the claimant may file an action in conciliation court for recovery of the seized property without paying the conciliation court filing fee. No responsive pleading is required of the county attorney and no court fees may be charged for the county attorney's appearance in the matter. The proceedings are governed by the rules of civil procedure.

(b) The complaint must be captioned in the name of the claimant as plaintiff, *and* the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized and ~~stating~~ the plaintiff's interest in the property seized. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(c) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under section 609.531, subdivision 6a.

(d) If a demand for judicial determination of an administrative forfeiture is filed under this subdivision and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who

filed the demand. In addition, the court may order the payment of reasonable costs, expenses, and attorney fees under section 549.21, subdivision 2. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

Sec. 10. Minnesota Statutes 1992, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313, ~~or 609.5314, or 609.5318~~ that the property is subject to forfeiture, it shall order the appropriate agency to:

(1) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) take custody of the property and remove it for disposition in accordance with law;

(3) forward the property to the federal drug enforcement administration;

(4) disburse money as provided under subdivision 5; or

(5) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 11. Minnesota Statutes 1992, section 609.5315, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ADMINISTRATIVELY FORFEITED PROPERTY.] If property is forfeited administratively under section 609.5314 *or 609.5318* and no demand for judicial determination is made, the appropriate agency may dispose of the property in any of the ways listed in subdivision 1.

Sec. 12. Minnesota Statutes 1992, section 609.5315, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION OF PROCEEDS OF THE OFFENSE.] Property that consists of proceeds derived from or traced to the commission of a designated offense *or a violation of section 609.66, subdivision 3*, must be applied first to payment of seizure, storage, forfeiture, and sale expenses, and to satisfy valid liens against the property; and second, to any court-ordered restitution before being disbursed as provided under subdivision 5.

Sec. 13. [609.5318] [FORFEITURE OF VEHICLES USED IN DRIVE-BY SHOOTINGS.]

Subdivision 1. [CONVEYANCE DEVICES SUBJECT TO FORFEITURE.] A conveyance device is subject to forfeiture under this section if the prosecutor establishes by clear and convincing evidence that the conveyance device was used in a violation of section 609.66, subdivision 3. The prosecutor need not establish that any individual was convicted of the violation, but a conviction of the owner for a violation of section 609.66, subdivision 3, creates a presumption that the device was used in the violation.

Subd. 2. [NOTICE.] The registered owner of the conveyance device must be notified of the seizure and intent to forfeit the conveyance device within 48 hours after the seizure. Notice by certified mail to the address shown in department of public safety records is deemed to be sufficient notice to the

registered owner. Notice must be given in the manner required by section 609.5314, subdivision 2, paragraph (b), and must specify that a request for a judicial determination of the forfeiture must be made within 60 days following the service of the notice. If related criminal proceedings are pending, the notice must also state that a request for a judicial determination of the forfeiture must be made within 60 days following the conclusion of those proceedings.

Subd. 3. [HEARING] (a) Within 60 days following service of a notice of seizure and forfeiture, a claimant may demand a judicial determination of the forfeiture. If a related criminal proceeding is pending, the 60 days begins to run at the conclusion of those proceedings. The demand must be in the form of a civil complaint as provided in section 609.5314, subdivision 3, except as otherwise provided in this section.

(b) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under subdivision 4.

Subd. 4. [PROCEDURE.] (a) If a judicial determination of the forfeiture is requested, a separate complaint must be filed against the conveyance device, stating the specific act giving rise to the forfeiture and the date, time, and place of the act. The action must be captioned in the name of the county attorney or the county attorney's designee as plaintiff and the property as defendant.

(b) If a demand for judicial determination of an administrative forfeiture is filed and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who filed the demand. In addition, the court may order the payment of reasonable costs, expenses, attorney fees, and towing and storage fees. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

Subd. 5. [LIMITATIONS.] (a) A conveyance device used by a person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the device is a consenting party to, or is privy to, the commission of the act giving rise to the forfeiture.

(b) A conveyance device is subject to forfeiture under this section only if the registered owner was privy to the act upon which the forfeiture is based, the act occurred with the owner's knowledge or consent, or the act occurred due to the owner's gross negligence in allowing another to use the conveyance device.

(c) A conveyance device encumbered by a bona fide security interest is subject to the interest of the secured party unless the party had knowledge of or consented to the act upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

Sec. 14. Minnesota Statutes 1992, section 609.605, is amended by adding a subdivision to read:

Subd. 4. [TRESPASSES ON SCHOOL PROPERTY.] (a) It is a misdemeanor for a person to enter or be found on school property while school is

in session or school or extracurricular events are occurring on the property unless the person:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;

(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

(b) A school principal or a school employee designated by the school principal to maintain order on school property, who has reasonable cause to believe that a person is violating this subdivision may detain the person in a reasonable manner for a reasonable period of time pending the arrival of a peace officer. A school principal or designated school employee is not civilly or criminally liable for any action authorized under this paragraph if the person's action is based on reasonable cause.

(c) A peace officer may arrest a person without a warrant if the officer has probable cause to believe the person violated this subdivision within the preceding four hours. The arrest may be made even though the violation did not occur in the peace officer's presence.

(d) As used in this subdivision, "school property" has the meaning given in section 152.01, subdivision 14a, clauses (1) and (3).

Sec. 15. Minnesota Statutes 1992, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY CRIMES; SILENCERS PROHIBITED; RECKLESS DISCHARGE.] (a) Whoever does any of the following is guilty of a felony and may be sentenced as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm; or

(2) intentionally discharges a firearm under circumstances that endanger the safety of another; or

(3) recklessly discharges a firearm within a municipality.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) otherwise, to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

Sec. 16. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1d. [FELONY; POSSESSION ON SCHOOL PROPERTY.] (a) Whoever possesses, stores, or keeps a dangerous weapon as defined in section 609.02, subdivision 6, on school property is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(b) As used in this subdivision, "school property" means:

(1) an elementary, middle, or secondary school building and its grounds; and

(2) the area within a school bus when that bus is being used to transport one or more elementary, middle, or secondary school students.

(c) This subdivision does not apply to:

(1) licensed peace officers, military personnel, or students participating in military training, who are performing official duties;

(2) persons who carry pistols according to the terms of a permit;

(3) persons who keep or store in a motor vehicle pistols in accordance with sections 624.714 and 624.715 or other firearms in accordance with section 97B.045;

(4) firearm safety or marksmanship courses conducted on school property;

(5) possession of dangerous weapons by a ceremonial color guard;

(6) a gun or knife show held on school property; or

(7) possession of dangerous weapons with written permission of the principal.

Sec. 17. Minnesota Statutes, 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 3. [FELONY; DRIVE-BY SHOOTING.] (a) Whoever recklessly discharges a firearm when the person is in a passenger vehicle at or toward another passenger vehicle or a dwelling is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both. If the vehicle or dwelling is occupied, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) For purposes of this subdivision, "passenger vehicle" has the meaning given in section 169.01, subdivision 3a, and "dwelling" has the meaning given in section 609.605, subdivision 1.

Sec. 18. [609.666] [NEGLIGENT STORAGE OF FIREARMS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following words have the meanings given.

(a) "Firearm" means a device designed to be used as a weapon, from which is expelled a projectile by the force of any explosion or force of combustion.

(b) "Child" means a person under the age of 16 years.

(c) "Loaded" means the firearm has ammunition in the chamber or

magazine, if the magazine is in the firearm, unless the firearm is incapable of being fired by a child who is likely to gain access to the firearm.

Subd. 2. [ACCESS TO FIREARMS.] A person is guilty of a gross misdemeanor who stores or leaves a loaded firearm in a location where the person knows, or reasonably should know, that a child is likely to gain access.

Subd. 3. [LIMITATIONS.] Subdivision 2 does not apply to a child's access to firearms that is supervised by an adult or to a child's access to firearms that was obtained as a result of an unlawful entry.

Sec. 19. [609.672] [PERMISSIVE INFERENCE; FIREARMS IN AUTOMOBILES.]

The presence of a firearm in a passenger automobile permits the factfinder to infer knowing possession of the firearm by the driver or person in control of the automobile when the firearm was in the automobile. The inference does not apply:

(1) to a licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;

(2) to any person in the automobile if one of them legally possesses a firearm; or

(3) when the firearm is concealed on the person of one of the occupants.

Sec. 20. Minnesota Statutes 1992, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the ~~unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16 of a misdemeanor or gross misdemeanor violation of chapter 152,~~ or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Sec. 21. Minnesota Statutes 1992, section 624.714, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] (a) A person, other than a law enforcement officer who has authority to make arrests other than citizens arrests, who carries, holds or possesses a pistol in a motor vehicle, snowmobile or boat, or on or about the person's clothes or the person, or otherwise in possession or control in a public place or public area without first having obtained a permit to carry the pistol is guilty of a gross misdemeanor. *A person who is convicted a second or subsequent time is guilty of a felony.*

(b) A person who has been issued a permit and who engages in activities other than those for which the permit has been issued, is guilty of a misdemeanor.

Sec. 22. [624.7162] [FIREARMS DEALERS; SAFETY REQUIREMENTS.]

Subdivision 1. [FIREARMS DEALERS.] For purposes of this section, a firearms dealer is any person who is federally licensed to sell firearms from any location.

Subd. 2. [NOTICE REQUIRED.] In each business location where firearms are sold by a firearms dealer, the dealer shall post in a conspicuous location the following warning in block letters not less than one inch in height: "IT IS UNLAWFUL TO STORE OR LEAVE AN UNLOCKED LOADED FIREARM WHERE A CHILD CAN OBTAIN ACCESS."

Subd. 3. [FINE.] A person who violates the provisions of this section is guilty of a petty misdemeanor and may be fined not more than \$200.

Sec. 23. [624.75] [METROPOLITAN FIREARM REGULATION LIMITATIONS.]

Subdivision 1. [METROPOLITAN CITIES; METROPOLITAN AIRPORTS COMMISSION.] Notwithstanding section 471.633, a home rule charter or statutory city located in a metropolitan county, as defined in section 473.121, subdivision 4, and the metropolitan airports commission are authorized to adopt firearms regulations described in this section.

Subd. 2. [POSSESSION OF FIREARMS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the possession of firearms in a public place or in a room that contains controlled substances, when the firearm either is loaded or, if unloaded, the ammunition for it is readily available.

The ordinance may not apply to:

(1) the possession of firearms by officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States to the extent that these persons are authorized by law to possess firearms and are acting in the scope of official duties; or

(2) the lawful transportation of firearms in motor vehicles or the carrying of firearms between motor vehicles and places where possession of the firearm is lawful, if the firearm is carried in accordance with section 97B.045 or 624.714, subdivision 9, is unloaded, and the ammunition for the firearm is not readily available.

As used in this subdivision:

(1) "controlled substances" has the meaning given it in section 152.01, subdivision 4, but does not include a substance that the actor possesses lawfully; and

(2) "readily available" means that ammunition is within the actor's reach and is unboxed or in a device designed for the rapid loading of a firearm.

Subd. 3. [ASSAULT WEAPONS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the sale, rental, lease, transfer, possession, or display of semiautomatic military-style assault weapons.

The ordinance may not apply to:

(1) the lawful transportation of semiautomatic military-style assault weapons in motor vehicles; or

(2) officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States to the extent that these persons are authorized by law to sell, rent, lease, transfer, possess, or display a semiautomatic military-style assault weapon and are acting in the scope of official duties.

If the ordinance prohibits possession of semiautomatic military-style weapons, the ordinance shall include provisions under which a person who lawfully possesses a prohibited weapon before the effective date of the ordinance may remove the weapon from the jurisdiction, render it inoperable, or register it with the local law enforcement agency. The ordinance shall also include provisions under which a person who obtains title to a prohibited

weapon by bequest or intestate succession may remove the weapon from the jurisdiction, render it inoperable, register it with the local law enforcement agency, or transfer title of the weapon to the local law enforcement agency or to a person who may lawfully possess the weapon.

Subd. 4. [REGULATION OF AMMUNITION MAGAZINES AND CLIPS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the sale, rental, lease, transfer, possession, or display of ammunition magazines and clips.

The ordinance may not apply to:

(1) the lawful transportation of ammunition in a motor vehicle; or

(2) officers, employees, or agents of law enforcement agencies or the armed forces of this state to the extent that these persons are authorized by law to sell, rent, lease, transfer, possess, or display ammunition and are acting in the scope of official duties.

Subd. 5. [POSSESSION BY MINORS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the possession of firearms by minors. The ordinance may not apply to the lawful transportation of firearms by minors in a motor vehicle.

Subd. 6. [ENFORCEMENT.] An ordinance adopted under the authority of this section may contain provisions permitting its enforcement by means of criminal and civil penalties and by means of forfeiture of the firearm or ammunition involved in the violation.

Subd. 7. [VIOLATION OF LOCAL ORDINANCE; INELIGIBILITY TO POSSESS PISTOL.] (a) A person is ineligible to possess a pistol if the person is convicted of violating a local ordinance adopted under the authority of this section, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of an ordinance adopted under the authority of this section. Property rights may not be abated but access may be restricted by the courts.

(b) A person who possesses a pistol in violation of this subdivision is guilty of a gross misdemeanor.

(c) When a person is convicted of a violation of a local ordinance adopted under the authority of this section, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

Subd. 8. [RESTRICTION.] No ordinance adopted under this section may absolutely ban the ownership or possession of firearms by persons who lawfully own firearms on the effective date of this section.

Subd. 9. [EFFECTIVE PERIOD.] Ordinances adopted under this section are effective from August 1, 1994 to June 30, 1997. A city or commission may not adopt an ordinance after May 1, 1994, and may not modify a previously adopted ordinance between that date and August 1, 1996.

Subd. 10. [DATA COLLECTION.] A city or commission may not adopt an ordinance under this section unless it compiles statistics as required by this

subdivision. Baseline statistics must be compiled from August 1, 1993 to August 1, 1994, and comparison statistics must be compiled from August 1, 1994 to August 1, 1996, concerning the number of firearm incidents reported to the city or to the commission and for each incident:

(1) whether there was injury to any person or property and the extent of the injury;

(2) whether the incident was accidental or intentional;

(3) the type of firearm and bullet clip used;

(4) the age of the actor and victim;

(5) whether the incident resulted in an arrest;

(6) whether there was a crime charged and what offense was charged;

(7) the nature of the conviction and the sentence or other disposition;

(8) whether controlled substances or other contraband were present where the firearm was found;

(9) what type of firearm was seized or forfeited and how it was disposed of;

(10) whether the actor legally owned or possessed the firearm;

(11) whether the actor had a prior criminal record or prior firearms offense; and

(12) anything else deemed relevant by the commissioner of public safety.

Subd. 11. [REPORT.] By October 15, 1996, each city or commission adopting an ordinance under this section shall report to the commissioner of public safety regarding the data compiled under subdivision 10. The commissioner shall compile the data into a report and submit the report to the legislature by January 15, 1997.

Sec. 24. [STANDARD FORM.]

By August 1, 1993, the commissioner of public safety shall develop a statistical collection form for use by cities and commissions adopting ordinances under section 23.

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 19, 21, and section 23, subdivision 7, are effective August 1, 1993, and apply to crimes committed on or after that date. Section 24 is effective the day following final enactment.

ARTICLE 2

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 169.98, subdivision 1a, is amended to read:

Subd. 1a. [VEHICLE STOPS.] Except as otherwise permitted under sections 221.221 and 299D.06, Only a person who is licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to section 626.863 may use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2. In addition, a hazardous

materials specialist employed by the department of transportation may, in the course of responding to an emergency, use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2.

Sec. 2. Minnesota Statutes 1992, section 260.161, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to another juvenile court that has jurisdiction of the juvenile, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. ~~The legal records shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian. A child over the age of 14, the guardian of a child, or either parent of a child, unless one parent has been awarded sole legal custody, may consent to the release of court records concerning the child. If the court is in doubt as to the custody status of a child, it may require the parent giving consent to provide proof of the custody status.~~

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 3. Minnesota Statutes 1992, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children *who are or may be delinquent or who may be engaged in criminal acts* shall be kept separate from records of persons 18 years of age or older and ~~shall not be open to public inspection or their contents disclosed to the public except are private data but shall be disseminated:~~ (1) by order of the juvenile court, (2) as required by

section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor. In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section as private data.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. Minnesota Statutes 1992, section 299D.06, is amended to read:

299D.06 [INSPECTIONS; WEIGHING.]

Personnel to enforce the laws relating to motor vehicle equipment, school bus equipment, drivers license, motor vehicle registration, motor vehicle size and weight, and motor vehicle petroleum tax, to enforce public utilities commission rules relating to motor carriers, to enforce pollution control agency rules relating to motor vehicle noise abatement, and to enforce laws relating to directing the movement of vehicles shall be classified employees of the commissioner of public safety assigned to the division of state patrol. Employees engaged in these duties, while actually on the job during their working hours only, shall have power to issue citations in lieu of arrest and

continued detention and to prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, subdivision 3. They shall not be armed and shall have none of the other powers and privileges reserved to peace officers.

Sec. 5. Minnesota Statutes 1992, section 480.0591, subdivision 6, is amended to read:

Subd. 6. [PRESENT LAWS EFFECTIVE UNTIL MODIFIED; RIGHTS RESERVED.] Present statutes relating to evidence shall be effective until modified or superseded by court rule. If a rule of evidence is promulgated which is in conflict with a statute, the statute shall thereafter be of no force and effect. The supreme court, however, shall not have the power to promulgate rules of evidence which conflict, modify, or supersede the following statutes:

(a) statutes which relate to the competency of witnesses to testify, found in sections 595.02 to 595.025;

(b) statutes which establish the prima facie evidence as proof of a fact;

(c) statutes which establish a presumption or a burden of proof;

(d) *statutes which relate to the admissibility of statistical probability evidence based on genetic or blood test results; found in sections 634.25 to 634.30;*

(e) statutes which relate to the privacy of communications; and

(e) (f) statutes which relate to the admissibility of certain documents.

The legislature may enact, modify, or repeal any statute or modify or repeal any rule of evidence promulgated under this section.

Sec. 6. Minnesota Statutes 1992, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol to a *licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714* is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 7. Minnesota Statutes 1992, section 624.7132, subdivision 4, is amended to read:

Subd. 4. [DELIVERY.] *Except as otherwise provided in subdivision 7 or 8,* no person shall deliver a pistol to a proposed transferee until seven days after the date of the agreement to transfer as stated on the report delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period.

No person shall deliver a pistol to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of

the date of the agreement to transfer, the pistol may be delivered to the transferee.

Sec. 8. Minnesota Statutes 1992, section 624.7132, subdivision 8, is amended to read:

Subd. 8. [REPORT NOT REQUIRED.] (1) If the proposed transferee presents a valid transferee permit issued under section 624.714, subdivision 9 624.7131 or a valid permit to carry issued under section 624.714, or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, who presents a valid peace officer photo identification and badge, the transferor need not file a transfer report.

(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol may be made under subdivision 4.

Sec. 9. Minnesota Statutes 1992, section 626.05, subdivision 2, is amended to read:

Subd. 2. The term "peace officer", as used in sections 626.04 to 626.17, means a person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, constable, conservation officer, agent of the bureau of criminal apprehension, agent of the division of gambling enforcement, or University of Minnesota peace officer.

Sec. 10. Minnesota Statutes 1992, section 626A.06, subdivision 4, is amended to read:

Subd. 4. [THE WARRANT.] Each warrant to intercept communications shall be directed to a law enforcement officer, commanding the officer to hold the recording of all intercepted communications conducted under said warrant in custody subject to the further order of the court issuing the warrant. The warrant shall contain the grounds for its issuance with findings, as to the existence of the matters contained in subdivision 1 and shall also specify:

(a) the identity of the person, if known, whose communications are to be intercepted and recorded;

(b) the nature and location of the communications facilities as to which, or the place where, authority to intercept is granted, and in the case of telephone or telegraph communications the general designation of the particular line or lines involved;

(c) a particular description of the type of communication sought to be intercepted, and a statement of the particular offense to which it relates;

(d) the identity of the law enforcement office or agency authorized to intercept the communications, the name of the officer or officers thereof authorized to intercept communications, and of the person authorizing the application;

(e) the period of time during which such interception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described communication has been first obtained;

(f) any other limitations on the interception of communications being authorized, for the protection of the rights of third persons;

(g) a statement that using, divulging, or disclosing any information concerning such application and warrant for intercepting communications is prohibited and that any violation is punishable by the penalties of this chapter.

(h) a statement that the warrant shall be executed as soon as practicable, shall be executed in such a way as to minimize the interception of communications not otherwise subject to interception under this chapter and must terminate upon attainment of the authorized objective, or in any event in ~~ten~~ 30 days. The ~~ten-day~~ 30-day period begins on the earlier of the day on which the investigative or law enforcement officer first begins to conduct an interception under the order or ~~ten~~ 30 days after the order is received. In the event the intercepted communication is in a code or foreign language, and an expert in that foreign language or code is not reasonably available during the interception period, minimization may be accomplished as soon as practicable after such interception.

An order authorizing the interception of a wire, oral, or electronic communication under this chapter must, upon request of the applicant, direct that a provider of wire or electronic communication service, landlord, custodian, or other person shall furnish the applicant immediately all information, facilities, and technical assistance necessary to accomplish the interception unobtrusively and with a minimum of interference with the services that the service provider, landlord, custodian, or person is according the person whose communications are to be intercepted. A provider of wire or electronic communication service, landlord, custodian, or other person furnishing facilities or technical assistance must be compensated by the applicant for reasonable expenses incurred in providing the facilities or assistance.

Denial of an application for a warrant to intercept communications or of an application for renewal of such warrant shall be by written order that shall include a statement as to the offense or offenses designated in the application, the identity of the official applying for the warrant and the name of the law enforcement office or agency.

Sec. 11. Minnesota Statutes 1992, section 626A.06, subdivision 5, is amended to read:

Subd. 5. [DURATION OF WARRANT.] No warrant entered under this section may authorize or approve the interception of any wire, electronic, or oral communication for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than ~~ten~~ 30 days.

The effective period of any warrant for intercepting communications shall terminate immediately when any person named in the warrant has been charged with an offense specified in the warrant.

ARTICLE 3

PROSTITUTION

Section 1. [609.5318] [CERTAIN LOCAL FORFEITURE ORDINANCES AUTHORIZED.]

Subdivision 1. [AUTHORITY.] A home rule charter or statutory city may enact an ordinance providing for the forfeiture of a motor vehicle used to commit or facilitate, or used during the commission of, a violation of section 609.324 or a violation of a local ordinance substantially similar to section 609.324. A motor vehicle is subject to forfeiture under an ordinance authorized by this section only if the offense is established by proof of a criminal conviction for the offense.

Subd. 2. [PROCEDURES.] Except as otherwise provided in this section, an ordinance adopted under the authority of this section shall contain procedures that are identical to those contained in sections 609.531, 609.5312, and 609.5313. An ordinance adopted under this section must exempt from impoundment and forfeiture any motor vehicle leased or rented under the authority set forth in section 168.27, subdivision 4, for a period of less than 180 days.

Subd. 3. [ADDITIONAL PROCEDURES AND REQUIREMENTS.] (a) An ordinance adopted under the authority of this section must also contain the provisions described in this subdivision.

(b) The ordinance must provide that if a motor vehicle is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The ordinance must also require the prosecuting authority to certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.324 or a local ordinance substantially similar to section 609.324.

(c) The ordinance must provide that after conducting a hearing described in paragraph (b), the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by paragraph (b);

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in section 609.5312, subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(d) The ordinance must provide that a court conducting a hearing under paragraph (b) also may order that the motor vehicle be returned to the owner within 24 hours if the owner surrenders the motor vehicle's certificate of title to the court, pending resolution of the criminal proceeding and forfeiture action. If the certificate is surrendered to the court, the owner may not be ordered to post security or bond as a condition to release of the vehicle. When a certificate of title is surrendered to a court under this provision, the court shall notify the department of public safety and any secured party noted on the certificate. The court shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.

Subd. 4. [REPORT.] A city adopting an ordinance under this section shall submit a report to the bureau of criminal apprehension by October 15 of each year, beginning in 1994, describing the use of the ordinance and the number of vehicles seized and forfeited during the 12 months ended the previous June

30. *The superintendent of the bureau shall include in a report to the legislature a summary of the cities' reports.*

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 169.222, subdivision 6, is amended to read:

Subd. 6. [BICYCLE EQUIPMENT.] (a) No person shall operate a bicycle at nighttime unless the bicycle or its operator is equipped with a lamp which shall emit a white light visible from a distance of at least 500 feet to the front and with a red reflector of a type approved by the department of public safety which is visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of head lamps on a motor vehicle. No person may operate a bicycle at any time when there is not sufficient light to render persons and vehicles on the highway clearly discernible at a distance of 500 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be visible during the hours of darkness from 600 feet when viewed in front of lawful lower beams of head lamps on a motor vehicle.

The reflective surfaces shall include reflective materials on each side of each pedal to indicate their presence from the front or the rear and with a minimum of 20 square inches of reflective material on each side of the bicycle or its operator. Any bicycle equipped with side reflectors as required by regulations for new bicycles prescribed by the United States Consumer Product Safety Commission shall be considered to meet the requirements for side reflectorization contained in this subdivision.

A bicycle may be equipped with a rear lamp that emits a red flashing signal.

(b) No person shall operate a bicycle unless it is equipped with a brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement.

(c) No person shall operate upon a highway any bicycle equipped with handlebars so raised that the operator must elevate the hands above the level of the shoulders in order to grasp the normal steering grip area.

(d) No person shall operate upon a highway any bicycle which is of such a size as to prevent the operator from stopping the bicycle, supporting it with at least one foot on the highway surface and restarting in a safe manner.

Sec. 2. Minnesota Statutes 1992, section 169.222, is amended by adding a subdivision to read:

Subd. 11. [PEACE OFFICERS OPERATING BICYCLES.] The provisions of this section governing operation of bicycles do not apply to bicycles operated by peace officers while performing their duties.

Sec. 3. Minnesota Statutes 1992, section 169.64, subdivision 3, is amended to read:

Subd. 3. [FLASHING LIGHTS.] Flashing lights are prohibited, except on an authorized emergency vehicle, school bus, *bicycle as provided in section 169.222, subdivision 6*, road maintenance equipment, tow truck or towing vehicle, service vehicle, farm tractors, self-propelled farm equipment or on any vehicle as a means of indicating a right or left turn, or the presence of a

vehicular traffic hazard requiring unusual care in approaching, overtaking or passing. All flashing warning lights shall be of the type authorized by section 169.59, subdivision 4, unless otherwise permitted or required in this chapter.

Sec. 4. Minnesota Statutes 1992, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6); or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 5. Minnesota Statutes 1992, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 6. Minnesota Statutes 1992, section 289A.63, is amended by adding a subdivision to read:

Subd. 11. [CONSOLIDATION OF VENUE.] If two or more offenses in this section are committed by the same person in more than one county, the accused may be prosecuted for all the offenses in any county in which one of the offenses was committed.

Sec. 7. Minnesota Statutes 1992, section 297B.10, is amended to read:

297B.10 [PENALTIES.]

(1) Any person, including persons other than the purchaser, who prepares, completes, or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under this chapter or any purchaser who fails to complete or submit a motor vehicle purchaser's certificate with intent to defeat or evade the tax or who attempts to defeat or evade the tax in any manner, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event the person is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(2) Any person who violates any of the provisions of this chapter, unless the violation be of the type referred to in clause (1), is guilty of a misdemeanor

and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both.

(3) When two or more offenses in clause (1) are committed by the same person within six months, the offenses may be aggregated; further, if the offenses are committed in more than one county, the accused may be prosecuted for all the offenses aggregated under this paragraph in any county in which one of the offenses was committed.

Sec. 8. Minnesota Statutes 1992, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, *pawn shops*, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, *self-service storage facilities*, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 9. Minnesota Statutes 1992, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 609.251, 609.585, 609.21, subdivisions 3 and 4, 609.2691, 609.486, and 609.856, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 10. Minnesota Statutes 1992, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION OR FINE.] If the court orders payment of restitution *or a fine* as a condition of probation and if the defendant fails to pay the restitution *or the fine* in accordance with the payment schedule or structure established by the court or the probation officer, the defendant's probation officer may, on the officer's own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution *or fine* ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph (f), before the defendant's term of probation expires.

Sec. 11. Minnesota Statutes 1992, section 609.135, subdivision 2, is amended to read:

Subd. 2: (a) If the conviction is for a felony the stay shall be for not more

than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than three years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution *or a fine* in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution *or fine* the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution *or a fine* may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution *or fine* that the defendant owes.

Sec. 12. Minnesota Statutes 1992, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2) *or* (4); or

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 13. Minnesota Statutes 1992, section 609.251, is amended to read:

609.251 [DOUBLE JEOPARDY; KIDNAPPING.]

Notwithstanding section 609.04, a prosecution for or conviction of the crime of kidnapping is not a bar to conviction of or punishment for any other crime committed during the time of the kidnapping.

Sec. 14. Minnesota Statutes 1992, section 609.585, is amended to read:

609.585 [DOUBLE JEOPARDY.]

Notwithstanding section 609.04 a prosecution for or conviction of the crime of burglary is not a bar to conviction of or punishment for any other crime committed on entering or while in the building entered.

Sec. 15. Minnesota Statutes 1992, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years. *As used in this subdivision, "crime of violence" has the meaning given "violent crime" in section 609.152, subdivision 1, paragraph (d).*

Sec. 16. Minnesota Statutes 1992, section 609.856, subdivision 1, is amended to read:

Subdivision 1. [ACTS CONSTITUTING.] Whoever has in possession or uses a radio or device capable of receiving or transmitting a police radio signal, message, or transmission of information used for law enforcement purposes, while in the commission of a felony or violation of section 609.487 or the attempt to commit a felony or violation of section 609.487, is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both. *Notwithstanding section 609.04, a prosecution for or conviction of the crime of use or possession of a police radio under this section is not a bar to conviction of or punishment for any other crime committed while possessing or using the police radio by the defendant as part of the same conduct.*

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 3, 6, 7, 9, and 13 to 16 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 4, 5, and 12 are effective October 1, 1993, and apply to crimes committed on or after that date. Sections 8 and 10 are effective August 1, 1993.

ARTICLE 5

PROBATION

Section 1. Minnesota Statutes 1992, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] A person shall ~~comply with register under this section after being released from prison if:~~

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25, criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, solicitation of children to engage in

sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322, and the offense was committed against a victim who was a minor;

(2) the person is not now required to register under section 243.165; and

(3) ten years have not yet elapsed since the person was released from imprisonment charged with a felony violation of or attempt to violate any of the following, and convicted of that offense or of another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c), or (d); or 609.345, subdivision 1, paragraph (c), or (d); or

(2) the person was convicted of a predatory crime as defined in section 609.1352, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.

Sec. 2. Minnesota Statutes 1992, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section is released ~~sentenced~~, the ~~commissioner of corrections court~~ shall tell the person of the duty to register under section 243.165 and this section. The ~~commissioner court~~ shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person expects to reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

Sec. 3. Minnesota Statutes 1992, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, within 14 days after the end of the term of supervised release, register with the probation officer corrections agent as soon as the agent is assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the current or last assigned probation officer corrections agent in writing within ten days. An offender is deemed to change addresses when the offender remains at a new address for longer than two weeks and evinces an intent to take up residence there. The probation officer agent shall, within three business days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 4. Minnesota Statutes 1992, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the ~~probation officer~~ *corrections agent* must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the ~~probation officer~~ *corrections agent* shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension. *The bureau shall send one copy to the appropriate law enforcement authority that will have jurisdiction where the person will reside on release or discharge.*

Sec. 5. Minnesota Statutes 1992, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was ~~released from imprisonment~~ *initially assigned to a corrections agent in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later.*

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 6. Minnesota Statutes 1992, section 243.166, is amended by adding a subdivision to read:

Subd. 8. [LAW ENFORCEMENT AUTHORITY.] *For purposes of this section, a law enforcement authority means, with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the sheriff of the county.*

Sec. 7. Minnesota Statutes 1992, section 243.166, is amended by adding a subdivision to read:

Subd. 9. [PRISONERS FROM OTHER STATES.] *When the state accepts a prisoner from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota following a term of imprisonment if any part of that term was served in this state.*

Sec. 8. Minnesota Statutes 1992, section 299C.46, is amended by adding a subdivision to read:

Subd. 5. [DIVERSION PROGRAMS.] *The bureau of criminal apprehension shall receive from counties operating diversion programs the names of and other identifying data specified by the bureau of criminal apprehension concerning diversion program participants, and maintain the names and data in the computerized criminal history system for 20 years from the date of the offense. Data maintained under this subdivision are private data.*

Sec. 9. Minnesota Statutes 1992, section 299C.54, is amended by adding a subdivision to read:

Subd. 3a. [COLLECTION OF DATA.] Identifying information on missing children entered into the NCIC computer regarding cases that are still active at the time the missing children bulletin is compiled each quarter may be included in the bulletin.

Sec. 10. Minnesota Statutes 1992, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) Probation officers serving the district and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections 241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

(c) *The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person on a court authorized pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release.*

Sec. 11. [401.065] [PRETRIAL DIVERSION PROGRAMS.]

Subdivision 1. [DEFINITION.] *As used in this section:*

(1) "offender" means a person who:

(i) is charged with a felony, gross misdemeanor, or misdemeanor crime, other than a crime against the person, but who has not yet entered a plea in the proceedings;

(ii) has not previously been convicted as an adult in Minnesota or any other state of any felony crime against the person; and

(iii) has not previously been charged with a crime as an adult in Minnesota and then had charges dismissed as part of a diversion program, including a program that existed before July 1, 1994; and

(2) "pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the criminal charges against the offender will be dismissed after a specified period of time if the offender successfully completes the program.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] By July 1, 1994, every county attorney of a county participating in the community corrections act shall establish a pretrial diversion program for adult offenders. The program must be designed and operated to further the following goals:

(1) to provide eligible offenders with an alternative to confinement and a criminal conviction;

(2) to reduce the costs and caseload burdens on district courts and the criminal justice system;

(3) to minimize recidivism among diverted offenders;

(4) to promote the collection of restitution to the victim of the offender's crime; and

(5) to develop responsible alternatives to the criminal justice system for eligible offenders.

Subd. 3. [PROGRAM COMPONENTS.] A diversion program established under this section may:

(1) provide screening services to the court and the prosecuting authorities to help identify likely candidates for pretrial diversion;

(2) establish goals for diverted offenders and monitor performance of these goals;

(3) perform chemical dependency assessments of diverted offenders where indicated, make appropriate referrals for treatment, and monitor treatment and aftercare;

(4) provide individual, group, and family counseling services;

(5) oversee the payment of victim restitution by diverted offenders;

(6) assist diverted offenders in identifying and contacting appropriate community resources;

(7) provide educational services to diverted offenders to enable them to earn a high school diploma or GED; and

(8) provide accurate information on how diverted offenders perform in the program to the court, prosecutors, defense attorneys, and probation officers.

Subd. 4. [REPORTS.] By January 1, 1995, and biennially thereafter, each county attorney shall report to the department of corrections on the operation of a pretrial diversion program required by this section. The commissioner shall include in the report to the legislature a summary of the reports submitted by county attorneys under this section. The report shall include a description of the program, the number of offenders participating in the program, the number and characteristics of the offenders who successfully

complete the program, the number and characteristics of the offenders who fail to complete the program, and an evaluation of the program's effect on the operation of the criminal justice system in the county.

Sec. 12. Minnesota Statutes 1992, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION.] If the court orders payment of restitution as a condition of probation and if the defendant fails to pay the restitution in accordance with the payment schedule or structure established by the court or the probation officer, the *prosecutor or the* defendant's probation officer may, on ~~the officer's~~ *the prosecutor's* own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph ~~(f)~~ (g), before the defendant's term of probation expires.

Sec. 13. Minnesota Statutes 1992, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than three years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged ~~when~~ *six months after the term of the* stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 14. Minnesota Statutes 1992, section 609.14, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay thereof and probation and direct that the defendant be taken into immediate custody.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the rules of criminal procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

Sec. 15. Minnesota Statutes 1992, section 609.3461, is amended to read:

609.3461 [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

Subdivision 1. [UPON SENTENCING.] ~~When a~~ The court shall order an offender to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 when:

(1) the court sentences a person ~~convicted of~~ charged with violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, ~~or when a~~ who is convicted of violating one of those sections or of any felony offense arising out of the same set of circumstances;

(2) the court sentences a person as a patterned sex offender under section 609.1352; or

(3) the juvenile court adjudicates a person a delinquent child who is the subject of a delinquency petition for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 and the delinquency adjudication is based on a violation of one of those sections or of any felony-level offense arising out of the same set of circumstances. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 299C.155.

Subd. 2. [BEFORE RELEASE.] If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or initially charged with violating one of those sections and convicted of another felony offense arising out of the same set of circumstances, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody

of the commissioner of corrections for a term of imprisonment, or serving a term of imprisonment in this state under a reciprocal agreement although convicted in another state of an offense described in this subdivision or under any similar law of the United States or any other state, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Subd. 3. [PRISONERS FROM OTHER STATES.] When the state accepts a prisoner from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender providing a biological specimen for the purposes of DNA analysis as defined in section 299C.155, if the offender was convicted of an offense described in subdivision 1 or under any similar law of the United States or any other state. The specimen must be provided under supervision of staff from the department of corrections or a community corrections act county within 15 business days after the offender reports to the supervising agent. The cost of obtaining the biological specimen is the responsibility of the agency providing supervision.

Sec. 16. [PROBATION TASK FORCE.]

Subdivision 1. [CONTINUATION OF TASK FORCE.] The probation standards task force appointed under Laws 1992, chapter 571, article 11, section 15, shall file the report required by this section.

Subd. 2. [STAFF.] The commissioner of corrections shall make available staff as appropriate to support the work of the task force.

Subd. 3. [REPORT.] The task force shall report to the legislature by October 1, 1994, concerning:

- (1) the number of additional probation officers needed;*
- (2) the funding required to provide the necessary additional probation officers;*
- (3) a recommended method of funding these new positions, including a recommendation concerning the relative county and state obligations;*
- (4) recommendations as to appropriate standardized case definitions and reporting procedures to facilitate uniform reporting of the number and type of cases and offenders;*
- (5) legislative changes needed to implement objectively defined case classification systems; and*
- (6) any other general recommendations to improve the quality and administration of probation services in the state.*

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, section 243.165, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 12, 13, and 14, are effective August 1, 1993, and apply to all defendants placed on probation on or after that date. Section 15, subdivision 1, is effective August 1, 1993, and applies to offenders sentenced on or after that date. Section 16 is effective the day following final enactment.

ARTICLE 6

NEW FELONY SENTENCING LAW

Section 1. Minnesota Statutes 1992, section 243.18, subdivision 2, is amended to read:

Subd. 2. [WORK REQUIRED; GOOD TIME.] *This subdivision applies only to inmates sentenced before August 1, 1993.* An inmate for whom a work assignment is available may not earn good time under subdivision 1 for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 2. Minnesota Statutes 1992, section 243.18, is amended by adding a subdivision to read:

Subd. 2a. [WORK REQUIRED; DISCIPLINARY CONFINEMENT.] *This subdivision applies only to inmates sentenced on or after August 1, 1993. The commissioner shall impose a disciplinary confinement period of two days for each day on which a person for whom a work assignment is available does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.*

Sec. 3. Minnesota Statutes 1992, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," as applied to inmates whose crimes were committed before August 1, 1993, is the period of time for which an inmate is committed to the custody of the commissioner of corrections minus earned good time. "Term of imprisonment," as applied to inmates whose crimes were committed on or after August 1, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1b equal to two-thirds of the inmate's executed sentence.

Sec. 4. Minnesota Statutes 1992, section 244.01, is amended by adding a subdivision to read:

Subd. 9. [EXECUTED SENTENCE.] "Executed sentence" means the total period of time for which an inmate is committed to the custody of the commissioner of corrections.

Sec. 5. Minnesota Statutes 1992, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. [SUPERVISED RELEASE; OFFENDERS WHO COMMIT CRIMES ON OR AFTER AUGUST 1, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment pronounced by the sentencing court under section 244.101 and any disciplinary confinement

period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The *amount of time the inmate serves on supervised release term* shall be equal in length to the amount of time remaining in the inmate's ~~imposed~~ *executed* sentence after the inmate has served the ~~pronounced~~ term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By August 1, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 6. Minnesota Statutes 1992, section 244.101, is amended to read:

244.101 [SENTENCING OF FELONY OFFENDERS WHO COMMIT OFFENSES ON AND AFTER AUGUST 1, 1993.]

Subdivision 1. [~~SENTENCING AUTHORITY EXECUTED SENTENCES.~~] When a felony offender is sentenced to a fixed ~~executed~~ *prison* sentence for an offense committed on or after August 1, 1993, the *executed* sentence ~~pronounced by the court shall consist~~ *consists* of two parts: (1) a specified minimum term of imprisonment *that is equal to two-thirds of the executed sentence*; and (2) a specified maximum supervised release term that is ~~one-half of the minimum term of imprisonment equal to one-third of the executed sentence.~~ *The lengths of the term of imprisonment and the supervised release term actually served by an inmate are amount of time the inmate actually serves in prison and on supervised release is* subject to the provisions of section 244.05, subdivision 1b.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces an *executed* sentence under this section, it shall ~~specify~~ *explain*: (1) the total length of the *executed* sentence; (2) the amount of time the defendant will serve in prison; and (3) the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that ~~may result~~ *results* in the imposition of a disciplinary confinement period. The court shall also explain that the ~~defendant's term of imprisonment~~ *amount of time the defendant actually serves in prison* may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire ~~pronounced~~ *executed* sentence in prison. The court's explanation shall be included in ~~the sentencing order~~ *a written summary of the sentence.*

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's ~~specification~~ *explanation* of the potential length of a defendant's

supervised release term in the sentencing order, the court's order explanation creates no right of a defendant to any specific, minimum length of a supervised release term.

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence or term of imprisonment, the statutory mandatory minimum sentence or term governs the length of the entire executed sentence pronounced by the court under this section.

Sec. 7. Minnesota Statutes 1992, section 244.14, subdivision 2, is amended to read:

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender serving a sentence on intensive community supervision for a crime committed before August 1, 1993, does not earn good time, notwithstanding section 244.04.

Sec. 8. Minnesota Statutes 1992, section 244.171, subdivision 3, is amended to read:

Subd. 3. [GOOD TIME NOT AVAILABLE.] An offender in the challenge incarceration program whose crime was committed before August 1, 1993, does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1993, and apply to crimes committed on or after that date.

ARTICLE 7

MANDATORY CONDITIONAL RELEASE OF SEX OFFENDERS

Section 1. Minnesota Statutes 1992, section 609.346, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED CONDITIONAL RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, any person who is sentenced when a court sentences a person to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years, or the court shall sentence a provide that after the person has completed the sentence imposed, the commissioner of corrections shall place the person on conditional release. If the person was convicted for a violation of section 609.342, 609.343, 609.344, or 609.345, the person shall be placed on conditional release for five years, minus the time the person served on supervised release. If the person was convicted for a violation of one of those sections a second or subsequent time, or sentenced under subdivision 4 to a mandatory departure, to serve a supervised release term of not less than the person shall be placed on conditional release for ten years, minus the time the person served on supervised release.

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the

~~offender~~ The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the conditional release term expires.

Conditional release under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

(c) The commissioner shall pay the cost of treatment of a person released under this subdivision. This section does not require the commissioner to accept or retain an offender in a treatment program.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1993, and applies to crimes committed on or after that date.

ARTICLE 8 CORRECTIONS

Section 1. Minnesota Statutes 1992, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
- (4) ~~furniture~~ products and services from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 2. Minnesota Statutes 1992, section 147.09, is amended to read:

147.09 [EXEMPTIONS.]

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the state department of education, or by any public or private school, college, or other bona fide educational institution, or the state department of health, whose duties are entirely of a public health or educational character, while engaged in such duties.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of \$50 for the registration.

(13) *A psychologist licensed under section 148.91 or a social worker licensed under section 148B.21 who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.*

Sec. 3. Minnesota Statutes 1992, section 241.09, is amended to read:

241.09 [UNCLAIMED MONEY OR PERSONAL PROPERTY OF INMATES OF CORRECTIONAL FACILITIES.]

Subdivision 1. [MONEY.] When the chief executive officer of any state correctional facility under the jurisdiction of the commissioner of corrections obtains money belonging to inmates of the facility who have died, been released or escaped, and the chief executive officer knows no claimant or person entitled to it, the chief executive officer shall, if the money is unclaimed within ~~two years~~ *six months*, deposit it in the inmate social welfare fund for the benefit of the inmates of the facility. No money shall be so deposited until it has remained unclaimed for at least ~~two years~~ *six months*. If, at any time after the expiration of the ~~two years~~ *six months*, the inmate or the legal heirs appear and make proper proof of identity or heirship, the inmate or heirs are entitled to receive from the state treasurer any money belonging to the inmate and deposited in the inmate social welfare fund pursuant to this subdivision.

Subd. 2. [UNCLAIMED PERSONAL PROPERTY.] When any inmate of a state correctional facility under the jurisdiction of the commissioner of corrections has died, been released or escaped therefrom leaving in the custody of the chief executive officer thereof personal property, other than money, which remains unclaimed for a period of ~~two years~~ *90 days*, and the chief executive officer knows no person entitled to it, the chief executive officer or the chief executive officer's agent may sell or otherwise dispose of the property in the manner provided by law for the sale or disposition of state property. The proceeds of any sale, after deduction of the costs shall be deposited in the inmate social welfare fund for expenditure as provided in subdivision 1. Any inmate whose property has been sold under this subdivision, or heirs of the inmate, may file with, and make proof of ownership to, the chief executive officer of the institution who caused the sale of the property within two years after the sale, and, upon satisfactory proof to the chief executive officer, the chief executive officer shall certify to the state treasurer the amount received by the sale of such property for payment to the inmate or heirs. No suit shall be brought for damages consequent to the

disposal of personal property or use of money in accordance with this section against the state or any official, employee, or agent thereof.

Sec. 4. Minnesota Statutes 1992, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. Offenders who are eligible to receive treatment, within the limits of available funding, are:

- (1) adults and juveniles committed to the custody of the commissioner;
- (2) adult offenders for whom treatment is required by the court as a condition of probation; *and*
- (3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; *and*
- (4) adults and juveniles who are eligible for community-based treatment under the sex offender treatment fund established in section 241.671.

Sec. 5. Minnesota Statutes 1992, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities and state-operated adult and juvenile sex offender treatment programs not operated in state or local correctional facilities. The rules shall require that sex offender treatment programs be at least four months in duration. A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

(b) ~~By July 1, 1994, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.~~

(c) ~~In addition to other certification requirements established under paragraphs paragraph (a) and (b), rules adopted by the commissioner must require all certified programs certified under this subdivision to participate in an the sex offender program ongoing outcome-based evaluation and quality management system project established by the commissioner under section 3.~~

Sec. 6. Minnesota Statutes 1992, section 241.67, is amended by adding a subdivision to read:

Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION PROJECT.] (a) *For the purposes of this project, a sex offender is an adult who has been convicted, or a juvenile who has been adjudicated, for a sex offense or a sex-related offense and has been sentenced to sex offender treatment as a condition of probation.*

(b) *The commissioner shall develop a long-term project to accomplish the following:*

(1) provide follow-up information on each sex offender for a period of three years following the offender's completion of or termination from treatment;

(2) provide treatment programs in several geographical areas in the state;

(3) provide the necessary data to form the basis to recommend a fiscally sound plan to provide a coordinated statewide system of effective sex offender treatment programming; and

(4) provide an opportunity to local and regional governments, agencies, and programs to establish models of sex offender programs that are suited to the needs of that region.

(c) The commissioner shall provide the legislature with an annual report of the data collected and the status of the project by October 15 of each year, beginning in 1993.

(d) The commissioner shall establish an advisory task force consisting of county probation officers from community corrections act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force concerning the establishment and operation of the project.

Sec. 7. Minnesota Statutes 1992, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner may promulgate rules for the disbursement of funds earned under subdivision 1, or other funds in an inmate account, and section 243.88, subdivision 2, for the support of families and dependent relatives of the respective inmates, for the payment of court-ordered restitution, fines, surcharges, or other fees assessed or ordered by the court, contribution to any programs established by law to aid victims of crime provided that the contribution shall not be more than 20 percent of an inmate's gross wages, for the payment of restitution to the commissioner ordered by prison disciplinary hearing officers for damage to property caused by an inmate's conduct, and for the discharge of any legal obligations arising out of litigation under this subdivision. An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for the inmate's detention in a local detention facility convenient to the place of the hearing when the inmate is not engaged in preparation and defense.

Sec. 8. Minnesota Statutes 1992, section 244.05, is amended by adding a subdivision to read:

Subd. 8. [CONDITIONAL MEDICAL RELEASE.] The commissioner may order that an offender be placed on conditional medical release before the offender's scheduled supervised release date or target release date if the offender suffers from a serious illness or chronic medical condition and the release poses no threat to the public. In making the decision to release an offender on this status, the commissioner must consider the offender's age and medical condition, the health care needs of the offender, the offender's custody classification and level of risk of violence, the appropriate level of community supervision, and alternative placements that may be available for the

offender. An inmate may not be released under this provision unless the commissioner has determined that the inmate's health costs will be borne by medical assistance, Medicaid, general assistance medical care, veteran's benefits, or by any other federal or state medical assistance programs or by the inmate. Conditional medical release is governed by provisions relating to supervised release except that it may be rescinded without hearing by the commissioner if the offender's medical condition improves to the extent that the continuation of the conditional medical release presents a more serious risk to the public.

Sec. 9. Minnesota Statutes 1992, section 244.17, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or *intentional* personal injury; and

(2) offenders who ~~previously~~ were convicted *within the preceding ten years* of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 10. Minnesota Statutes 1992, section 244.172, subdivision 1, is amended to read:

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. ~~For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances. Throughout phase I, the commissioner must severely restrict the offender's telephone and visitor privileges.~~

Sec. 11. Minnesota Statutes 1992, section 244.172, subdivision 2, is amended to read:

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive supervision and surveillance program established by the commissioner. The commissioner may impose such requirements on the offender as are necessary to carry out the goals of the program. *Throughout phase II, the offender must be required to submit to daily drug and alcohol tests for the first three months; biweekly tests for the next two months; and weekly tests for the remainder of phase II randomly or, for cause, on demand of the supervising agent.* The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must ~~continue~~ submit to acupuncture treatment throughout phase II, *on demand of the supervising agent.*

Sec. 12. Minnesota Statutes 1992, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342; 609.343; 609.344;

609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a delinquency petition based on one or more of those sections, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider *must be experienced in the evaluation and treatment of juvenile sex offenders*. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment. Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:

- (1) medical data under section 13.42;
- (2) corrections and detention data under section 13.85;
- (3) health records under section 144.335;
- (4) juvenile court records under section 260.161; and
- (5) local welfare agency records under section 626.556.

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

If the child is found delinquent due to the commission of an offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

- (a) why the best interests of the child are served by the disposition ordered; and
- (b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 13. Minnesota Statutes 1992, section 541.15, is amended to read:

541.15 [PERIODS OF DISABILITY NOT COUNTED.]

(a) Except as provided in paragraph (b), any of the following grounds of disability, existing at the time when a cause of action accrued or arising anytime during the period of limitation, shall suspend the running of the period of limitation until the same is removed; provided that such period, except in the case of infancy, shall not be extended for more than five years, nor in any case for more than one year after the disability ceases:

- (1) That the plaintiff is within the age of 18 years;
- (2) The plaintiff's insanity;
- (3) ~~The plaintiff's imprisonment on a criminal charge, or under a sentence of a criminal court for a term less than the plaintiff's natural life;~~

(4) Is an alien and the subject or citizen of a country at war with the United States;

(5) (4) When the beginning of the action is stayed by injunction or by statutory prohibition.

If two or more disabilities shall coexist, the suspension shall continue until all are removed.

(b) In actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the ground of disability specified in paragraph (a), clause (1), suspends the period of limitation until the disability is removed. The suspension may not be extended for more than seven years, or for more than one year after the disability ceases.

For purposes of this paragraph, health care provider means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Sec. 14. Minnesota Statutes 1992, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or transferred ~~from one correctional facility to another when the correctional program involves less security to a minimum security setting~~, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change ~~in security status to minimum security status~~.

Sec. 15. Minnesota Statutes 1992, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, felonious theft, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, or operating a machine gun or sawed-off shotgun, and an attempt to commit any of these

offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 16. Minnesota Statutes 1992, section 631.41, is amended to read:

631.41 [REQUIRING THE COURT ADMINISTRATOR TO DELIVER TRANSCRIPT OF MINUTES OF SENTENCE TO SHERIFF.]

When a person convicted of an offense is sentenced to pay a fine or costs, or to be imprisoned in the county jail, or sentenced to the Minnesota ~~correctional facility~~ ~~Stillwater~~ *department of corrections*, the court administrator shall, as soon as possible, make out and deliver to the sheriff or a deputy a transcript from the minutes of the court of the conviction and sentence. A duly certified transcript is sufficient authority for the sheriff to execute the sentence. Upon receiving the transcript, the sheriff shall execute the sentence.

Sec. 17. Laws 1991, chapter 292, article 1, section 16, is amended to read:

Sec. 16. The department of human rights may not be charged by the attorney general for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. *The department of corrections may not be charged by the attorney general for legal representation in civil actions brought by offenders alleging civil rights violations. This provision is effective retroactive to July 1, 1989, as to the department of human rights and retroactive to July 1, 1992, as to the department of corrections.* The department of human rights does not have an obligation to pay for any services rendered by the attorney general since July 1, 1985, in excess of the amounts already paid for those services *and the department of corrections does not have an obligation to pay for any services rendered since July 1, 1992, in excess of the amounts already paid for those services.*

Sec. 18. [TRANSFER.]

Positions classified as sentencing to service crew leader and one sentencing to service supervisor in the department of natural resources are transferred to the Minnesota department of corrections under Minnesota Statutes, section 15.039. Nothing in this section is intended to abrogate or modify any rights now enjoyed by affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; and 241.671, are repealed.

ARTICLE 9

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1992, section 144A.04, subdivision 4, is amended to read:

Subd. 4. [CONTROLLING PERSON RESTRICTIONS.] (a) The controlling persons of a nursing home may not include any person who was a controlling person of another nursing home during any period of time in the previous two-year period:

(1) during which time of control that other nursing home incurred the following number of uncorrected or repeated violations:

(i) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(ii) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(2) who was convicted of a felony or gross misdemeanor ~~punishable by a term of imprisonment of more than 90 days~~ that relates to operation of the nursing home or directly affects resident safety or care, during that period.

(b) The provisions of this subdivision shall not apply to any controlling person who had no legal authority to affect or change decisions related to the operation of the nursing home which incurred the uncorrected violations.

Sec. 2. Minnesota Statutes 1992, section 144A.04, subdivision 6, is amended to read:

Subd. 6. [MANAGERIAL EMPLOYEE OR LICENSED ADMINISTRATOR; EMPLOYMENT PROHIBITIONS.] A nursing home may not employ as a managerial employee or as its licensed administrator any person who was a managerial employee or the licensed administrator of another facility during any period of time in the previous two-year period:

(a) During which time of employment that other nursing home incurred the following number of uncorrected violations which were in the jurisdiction and control of the managerial employee or the administrator:

(1) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(2) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(b) who was convicted of a felony or gross misdemeanor ~~punishable by a term of imprisonment of more than 90 days~~ that relates to operation of the nursing home or directly affects resident safety or care, during that period.

Sec. 3. Minnesota Statutes 1992, section 144A.11, subdivision 3a, is amended to read:

Subd. 3a. [MANDATORY REVOCATION.] Notwithstanding the provisions of subdivision 3, the commissioner shall revoke a nursing home license if a controlling person is convicted of a felony or gross misdemeanor ~~punishable by a term of imprisonment of more than 90 days~~ that relates to operation of the nursing home or directly affects resident safety or care. The commissioner shall notify the nursing home 30 days in advance of the date of revocation.

Sec. 4. Minnesota Statutes 1992, section 144B.08, subdivision 3, is amended to read:

Subd. 3. [MANDATORY REVOCATION OR REFUSAL TO ISSUE A LICENSE.] Notwithstanding subdivision 2, the commissioner shall revoke or refuse to issue a residential care home license if the applicant, licensee, or manager of the licensed home is convicted of a felony or gross misdemeanor

that is punishable by a term of imprisonment of not more than 90 days and that relates to operation of the residential care home or directly affects resident safety or care. The commissioner shall notify the residential care home 30 days before the date of revocation.

Sec. 5. Minnesota Statutes 1992, section 152.021, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than four years nor more than 40 years or to payment of a fine of not more than \$1,000,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 6. Minnesota Statutes 1992, section 152.022, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than three years nor more than 40 years or to payment of a fine of not more than \$500,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 7. Minnesota Statutes 1992, section 152.023, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$250,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than two years nor more than 30 years or to payment of a fine of not more than \$250,000, or both.

Sec. 8. Minnesota Statutes 1992, section 152.024, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$100,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be ~~sentenced to imprisonment committed to the commissioner of corrections or to a local correctional authority~~ for not less than one year nor more than 30 years or to payment of a fine of not more than \$100,000, or both.

Sec. 9. Minnesota Statutes 1992, section 152.025, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be ~~sentenced to imprisonment committed to the commissioner of corrections or to a local correctional authority~~ for not less than six months nor more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 10. Minnesota Statutes 1992, section 152.026, is amended to read:

152.026 [MANDATORY SENTENCES.]

A defendant convicted and sentenced to a mandatory sentence under sections 152.021 to 152.025 is not eligible for probation, parole, discharge, or supervised release until that person has served the full ~~mandatory minimum~~ term of imprisonment as provided by law, notwithstanding sections 242.19, 243.05, 609.12, and 609.135. "*Term of imprisonment*" has the meaning given in section 244.01, subdivision 8.

Sec. 11. Minnesota Statutes 1992, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of ~~imprisonment sentence~~ provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the department of public safety for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the department shall notify the requesting party of the existence of the not public record and the

right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the department of public safety who shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 12. Minnesota Statutes 1992, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) If a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of a gross misdemeanor violation of this section, a violation of section 169.129, or an ordinance in conformity with either of them (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Provided, that if a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them two or more times within five years after the first conviction, or within five years after the first of two or more license revocations, as defined in subdivision 3, paragraph (a), clause (2), the person must be sentenced to a minimum of 30 days imprisonment and the sentence may not be waived under paragraph (b) or (c). Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum term of imprisonment sentence established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without regard to the mandatory minimum term of imprisonment sentence established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) The court may sentence the defendant without regard to the mandatory minimum term of imprisonment sentence established by this subdivision if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

(e) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record.

Sec. 13. Minnesota Statutes 1992, section 238.16, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] Any person violating the provisions of this chapter is guilty of a gross misdemeanor. Any ~~term of imprisonment sentence~~ imposed for any violation by a corporation shall be served by the senior resident officer of the corporation.

Sec. 14. Minnesota Statutes 1992, section 244.065, is amended to read:

244.065 [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.]

When consistent with the public interest and the public safety, the commissioner of corrections may conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of the term of imprisonment as ~~reduced by good time earned by the inmate.~~

Sec. 15. Minnesota Statutes 1992, section 244.14, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's ~~original~~ term of imprisonment, but in no case for longer than the time remaining in the offender's sentence. "~~Original~~ Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 16. Minnesota Statutes 1992, section 244.15, subdivision 1, is amended to read:

Subdivision 1. [DURATION.] Phase I of an intensive community supervision program is six months, or one-half the time remaining in the offender's ~~original~~ term of imprisonment, whichever is less. Phase II lasts for at least one-third of the time remaining in the offender's ~~original~~ term of imprisonment at the beginning of Phase II. Phase III lasts for at least one-third of the time remaining in the offender's ~~original~~ term of imprisonment at the beginning of Phase III. Phase IV continues until the commissioner determines that the offender has successfully completed the program or until the offender's sentence, minus jail credit, expires, whichever occurs first. If an offender successfully completes the intensive community supervision program before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence.

Sec. 17. Minnesota Statutes 1992, section 244.171, subdivision 4, is amended to read:

Subd. 4. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the challenge incarceration program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the challenge incarceration program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Original Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 18. Minnesota Statutes 1992, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment sentence greater than ten years.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is \$50,000.

Sec. 19. Minnesota Statutes 1992, section 609.0341, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Any law of this state which provides for a maximum fine of \$1,000 or for a maximum ~~term~~ sentence of imprisonment of one year or which is defined as a gross misdemeanor shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$3,000 and for a maximum ~~term~~ sentence of imprisonment of one year.

Sec. 20. Minnesota Statutes 1992, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 21. Minnesota Statutes 1992, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section 152.021, it must impose a fine of not less than \$2,500 nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

(d) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed; the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 22. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

Sec. 23. Minnesota Statutes 1992, section 609.11, is amended to read:

609.11 [MINIMUM ~~TERMS~~ SENTENCES OF IMPRISONMENT.]

Subdivision 1. [COMMITMENTS WITHOUT MINIMUMS.] All commitments to the commissioner of corrections for imprisonment of the defendant are without minimum terms except when the sentence is to life imprisonment as required by law and except as otherwise provided in this chapter.

Subd. 4. [DANGEROUS WEAPON.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a dangerous weapon other than a firearm, or had in possession a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than one year plus one day, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a dangerous weapon other than a firearm, or had in possession a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term~~

of imprisonment of not less than three years nor more than the maximum sentence provided by law.

Subd. 5. [FIREARM.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than three years, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a firearm shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than five years, nor more than the maximum sentence provided by law.

Subd. 5a. [DRUG OFFENSES.] Notwithstanding section 609.035, whenever a defendant is subject to a mandatory minimum ~~term of imprisonment sentence~~ for a felony violation of chapter 152 and is also subject to this section, the minimum ~~term of imprisonment sentence~~ imposed under this section shall be consecutive to that imposed under chapter 152.

Subd. 6. [NO EARLY RELEASE.] Any defendant convicted and sentenced as required by this section is not eligible for probation, parole, discharge, or supervised release until that person has served the full ~~mandatory minimum term of imprisonment~~ as provided by law, notwithstanding the provisions of sections 242.19, 243.05, 244.04, 609.12 and 609.135.

Subd. 7. [PROSECUTOR SHALL ESTABLISH.] Whenever reasonable grounds exist to believe that the defendant or an accomplice used a firearm or other dangerous weapon or had in possession a firearm, at the time of commission of an offense listed in subdivision 9, the prosecutor shall, at the time of trial or at the plea of guilty, present on the record all evidence tending to establish that fact unless it is otherwise admitted on the record. The question of whether the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm shall be determined by the court on the record at the time of a verdict or finding of guilt at trial or the entry of a plea of guilty based upon the record of the trial or the plea of guilty. The court shall determine on the record at the time of sentencing whether the defendant has been convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm.

Subd. 8. [MOTION BY PROSECUTOR.] Prior to the time of sentencing, the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum ~~terms of imprisonment sentences~~ established by this section. The motion shall be accompanied by a statement on the record of the reasons for it. When presented with the motion and if it finds substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum ~~terms of imprisonment sentences~~ established by this section.

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which mandatory minimum sentences shall be served ~~before eligibility for probation, parole, or supervised release~~ as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree;

aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; a felony violation of chapter 152; or any attempt to commit any of these offenses.

Sec. 24. Minnesota Statutes 1992, section 609.135, subdivision 1, is amended to read:

Subdivision 1. [TERMS AND CONDITIONS.] Except when a sentence of life imprisonment is required by law, or when a mandatory minimum ~~term of imprisonment~~ sentence is required by section 609.11, any court may stay imposition or execution of sentence and (a) may order intermediate sanctions without placing the defendant on probation, or (b) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them. For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, and work in lieu of or to work off fines.

A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169.121.

Sec. 25. Minnesota Statutes 1992, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court shall ~~commit a person to a term of imprisonment of the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment for a period of time that is equal to the statutory maximum, if:~~

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release.

The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 26. Minnesota Statutes 1992, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TERMS SENTENCES; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively and all of the sentences are for misdemeanors, the total of the terms of imprisonment sentences shall not exceed one year. If all of the sentences are for gross misdemeanors, the total of the terms sentences shall not exceed three years.

Sec. 27. Minnesota Statutes 1992, section 609.152, subdivision 1, is amended to read:

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

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: section 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment sentence of 15 years or more.

Sec. 28. Minnesota Statutes 1992, section 609.196, is amended to read:

609.196 [MANDATORY PENALTY FOR CERTAIN MURDERERS.]

When a person is convicted of violating section 609.19 or 609.195, the court shall sentence the person to the statutory maximum term of imprisonment sentence for the offense if the person was previously convicted of a heinous crime as defined in section 609.184 and 15 years have not elapsed since the person was discharged from the sentence imposed for that conviction. The court may not stay the imposition or execution of the sentence, notwithstanding section 609.135.

Sec. 29. Minnesota Statutes 1992, section 609.229, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is three years longer than the statutory maximum for the underlying crime.

(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.

(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to a term of imprisonment of not more than one year and a day or to payment of a fine of not more than \$5,000, or both.

Sec. 30. Minnesota Statutes 1992, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 31. Minnesota Statutes 1992, section 609.346, subdivision 2b, is amended to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) The court shall sentence commit a person to a term of the commissioner of corrections for not less than 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition or execution of the sentence required by this subdivision.

Sec. 32. Minnesota Statutes 1992, section 609.3461, subdivision 2, is amended to read:

Subd. 2. [BEFORE RELEASE.] If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody of the commissioner of corrections for a term of imprisonment, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Sec. 33. Minnesota Statutes 1992, section 609.582, subdivision 1a, is amended to read:

Subd. 1a. [MANDATORY MINIMUM SENTENCE FOR BURGLARY OF OCCUPIED DWELLING.] A person convicted of committing burglary of an occupied dwelling, as defined in subdivision 1, clause (a), must be committed to the commissioner of corrections or county workhouse for a mandatory minimum term of imprisonment of not less than six months.

Sec. 34. Minnesota Statutes 1992, section 609.891, subdivision 2, is amended to read:

Subd. 2. [FELONY.] (a) A person who violates subdivision 1 in a manner that creates a grave risk of causing the death of a person is guilty of a felony and may be sentenced to a term of imprisonment of for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who is convicted of a second or subsequent gross misdemeanor violation of subdivision 1 is guilty of a felony and may be sentenced under paragraph (a).

Sec. 35. Minnesota Statutes 1992, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or transferred from one correctional facility to another when the correctional program involves less security, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change in security status.

Sec. 36. Minnesota Statutes 1992, section 629.291, subdivision 1, is amended to read:

Subdivision 1. [PETITION FOR TRANSFER.] The attorney general of the United States, or any of the attorney general's assistants, or the United States attorney for the district of Minnesota, or any of the United States attorney's assistants, may file a petition with the governor requesting the state of Minnesota to consent to transfer an inmate, serving a term of imprisonment sentence in a Minnesota correctional facility for violation of a Minnesota criminal law, to the United States district court for the purpose of being tried for violation of a federal criminal law. In order for a petition to be filed under this section, the inmate must at the time of the filing of the petition be under indictment in the United States district court for Minnesota for violation of a federal criminal law. The petition must name the inmate for whom transfer is requested and the Minnesota correctional facility in which the inmate is imprisoned. The petition must be verified and have a certified copy of the federal indictment attached to it. The petitioner must agree in the petition to pay all expenses incurred by the state in transferring the inmate to the United States court for trial.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 36 are effective August 1, 1993, and apply to crimes committed on or after that date.

ARTICLE 10

CRIMINAL AND JUVENILE JUSTICE INFORMATION

Section 1. Minnesota Statutes 1992, section 168.345, is amended by adding a subdivision to read:

Subd. 3. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] The commissioner shall impose a surcharge of 50 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning motor vehicle registrations. The surcharge does not apply to the request of an individual for information concerning vehicles registered in that individual's name. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 2. Minnesota Statutes 1992, section 171.12, is amended by adding a subdivision to read:

Subd. 8. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] The commissioner shall impose a surcharge of 50 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning driver's license and Minnesota identification card applicants. The surcharge does not apply to the request of an individual for information concerning that individual's driver's license or Minnesota identification card. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 3. Minnesota Statutes 1992, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect and license all

correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall annually review the correctional facilities described in this subdivision, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. *The commissioner may require that the information be provided through the department of corrections detention information system.*

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory

progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 4. [CRIMINAL AND JUVENILE JUSTICE INFORMATION POLICY GROUP.]

Subdivision 1. [ESTABLISHING GROUP.] The criminal and juvenile information policy group consists of the chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator.

The policy group shall study and make recommendations to the governor, the supreme court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in the criminal justice information systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights; and

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes.

Subd. 2. [REPORT.] The policy group shall file a report with the governor, supreme court, and legislature by December 1, 1994 and 1996.

The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist in developing recommendations, the policy group shall appoint a task force consisting of the members of the policy group or their designees and the following additional members:

- (1) the director of the office of strategic and long-range planning;
- (2) two sheriffs recommended by the Minnesota sheriffs association;
- (3) two police chiefs recommended by the Minnesota chiefs of police association;
- (4) two county attorneys recommended by the Minnesota county attorneys association;
- (5) two public defenders recommended by the state board of public defense;
- (6) two city attorneys recommended by the Minnesota league of cities;
- (7) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;
- (8) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;
- (9) two probation officers;
- (10) two public members, one of whom has been a victim of crime;
- (11) two court administrators;
- (12) a member of the house of representatives appointed by the speaker of the house; and
- (13) a member of the senate appointed by the majority leader.

Sec. 5. [1994 RECOMMENDATIONS.]

Subdivision 1. [CONTINUING EDUCATION PROGRAM.] The criminal and juvenile information policy group shall explore the feasibility of developing and implementing a continuing education program for state, county, and local criminal justice information agencies. The policy group shall consult with representatives of public and private post-secondary institutions in determining the most effective manner in which the training should be provided. The policy group shall include recommendations in the 1994 report to the legislature.

Subd. 2. [CRIMINAL CODE NUMBERING SCHEME.] The policy group shall study and make recommendations on a structured numbering scheme for the criminal code to facilitate identification of the offense and the elements of

the crime and shall include recommendations in the 1994 report to the legislature.

ARTICLE 11

CRIME PREVENTION PROGRAMS

Section 1. [254A.18] [STATE CHEMICAL HEALTH INDEX MODEL.]

The commissioner of human services, in consultation with the chemical abuse prevention resource council, shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 2. Minnesota Statutes 1992, section 256.486, is amended to read:

256.486 [ASIAN ASIAN-AMERICAN JUVENILE CRIME INTERVENTION AND PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] The commissioner of human services shall establish a grant program for coordinated, family-based crime intervention and prevention services for ~~Asian~~ Asian-American youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.

Subd. 2. [GRANT RECIPIENTS.] The commissioner shall award grants in amounts up to \$150,000 to agencies based in the ~~Asian~~ Asian-American community that have experience providing coordinated, family-based community services to ~~Asian~~ Asian-American youth and families.

Subd. 3. [PROJECT DESIGN.] Projects eligible for grants under this section must provide coordinated crime *intervention*, prevention, and educational services that include:

(1) education for ~~Asian~~ Asian-American parents, including parenting methods in the United States and information about the United States legal and educational systems;

(2) crime *intervention* and prevention programs for ~~Asian~~ Asian-American youth, including employment and career-related programs and guidance and counseling services;

(3) family-based services, including support networks, language classes, programs to promote parent-child communication, access to education and career resources, and conferences for ~~Asian~~ Asian-American children and parents;

(4) coordination with public and private agencies to improve communication between the ~~Asian~~ Asian-American community and the community at large; and

(5) hiring staff to implement the services in clauses (1) to (4).

Subd. 4. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] Grant money awarded under this section may be used to satisfy any state or

local match requirement that must be satisfied in order to receive federal funds.

Subd. 5. [ANNUAL REPORT.] Grant recipients must report to the commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in reducing crime among Asian Asian-American youth.

Sec. 3. Minnesota Statutes 1992, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the chemical abuse prevention resource council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs; and

(4) *community-based programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and encourage school dropouts to return to school; and*

(5) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Sec. 4. Minnesota Statutes 1992, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582,

subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years; and

(5) the number of economically disadvantaged youth in the geographic areas to be served by the program.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), *to programs in geographical areas that have the largest concentrations of economically disadvantaged youth, and to programs that demonstrate substantial involvement by members of the community served by the program.* The maximum amount that may be awarded to an applicant is \$50,000.

Sec. 5. Minnesota Statutes 1992, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$110.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$110.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$5 \$10.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 6. Minnesota Statutes 1992, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of 20 percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

(1) for a person charged with a felony, \$25;

(2) for a person charged with a gross misdemeanor, \$15;

(3) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, \$10; and

(4) for a person charged with a local ordinance violation other than a parking or traffic violation, \$5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(c) The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family.

(4) If the court fails to waive or impose an assessment required by paragraph (a), the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) (d) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessments or surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) (e) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 7. Minnesota Statutes 1992, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

~~The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.~~

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 8. Minnesota Statutes 1992, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section ~~sections~~ 152.021 to 152.025, it must impose a fine of not less than \$2,500 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(d) (c) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) (d) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) (e) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 9. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

The court shall collect the fines mandated in this subdivision and forward 20 percent of the revenues to the state treasurer for deposit in the general fund.

Sec. 10. Minnesota Statutes 1992, section 609.101, is amended by adding a subdivision to read:

Subd. 5. [WAIVER PROHIBITED; INSTALLMENT PAYMENTS.] The court may not waive payment of the minimum fine, surcharge, or assessment required by this section. The court may reduce the amount of the minimum fine, surcharge, or assessment if the court makes written findings on the record that the convicted person is indigent or that immediate payment of the fine, surcharge, or assessment would create undue hardship for the convicted person or that person's immediate family. The court may authorize payment of the fine, surcharge, or assessment in installments.

Sec. 11. Laws 1992, chapter 571, article 16, section 4, is amended to read:

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS FOR PROFESSIONAL EDUCATION ABOUT VIOLENCE AND ABUSE.]

(a) The higher education coordinating board may award grants to "eligible institutions" as defined in Minnesota Statutes, section 136A.101, subdivision 4, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

(b) The programs ~~shall be multidisciplinary and include~~ *must be designed to prepare students to be teachers, child protection workers school administrators, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all or other education, human services, mental health, and health care professionals who work with adult and child victims and perpetrators of violence and abuse.*

Sec. 12. [HIGHER EDUCATION GRANTS FOR COLLABORATION AMONG HUMAN SERVICES PROFESSIONALS.]

Subdivision 1. [GRANTS.] The higher education coordinating board shall award grants to public post-secondary institutions to develop professional skills for interdisciplinary collaboration in providing health care, human services, and education.

Subd. 2. [PROGRAMS AND ACTIVITIES.] Grants shall support the following programs and activities:

(1) *on-campus, off-campus, and multicampus collaboration in training professionals who work with adults and children to enable higher education students to be knowledgeable about the roles and expertise of different professions serving the same clients;*

(2) *programs to teach professional education students how health and other human services and education can be restructured to coordinate programs for efficiency and better results;*

(3) *faculty discussion and assessment of methods to provide professionals with the skills needed to collaborate with staff from other disciplines; and*

(4) community outreach and leadership activities to reduce fragmentation among public agencies and private organizations serving individuals and families.

Sec. 13. [HIGHER EDUCATION CENTER ON VIOLENCE AND ABUSE.]

Subdivision 1. [CREATION AND DESIGNATION.] The higher education center on violence and abuse is created. The higher education center on violence and abuse shall be located at and managed by a public or private post-secondary institution in Minnesota. The higher education coordinating board shall designate the location of the center following review of proposals from potential higher education sponsors.

Subd. 2. [ADVISORY COMMITTEE.] The higher education coordinating board shall convene an advisory committee to develop specifications for the higher education center and review proposals from higher education institutions. The advisory committee shall include representatives who are students in professional programs, other students, student affairs professionals, professional education faculty, and practicing professionals in the community who are involved with problems of violence and abuse.

Subd. 3. [DUTIES.] The higher education center on violence and abuse shall:

(1) serve as a clearinghouse of information on curriculum models and other resources for professional education and for education of faculty, students, and staff about violence and harassment required under Laws 1992, chapter 571, article 16, section 1;

(2) sponsor conferences and research to assist higher education institutions in developing curricula about violence and abuse;

(3) fund pilot projects to stimulate multidisciplinary curricula about violence and abuse; and

(4) coordinate policies to ensure that professions and occupations with responsibilities toward victims and offenders have the knowledge and skills needed to prevent and respond appropriately to the problems of violence and abuse.

Subd. 4. [PROFESSIONAL EDUCATION AND LICENSURE.] By March 15, 1994, the center shall convene task forces for professions that work with victims and perpetrators of violence. Task forces must be formed for the following professions: teachers, school administrators, guidance counselors, law enforcement officers, lawyers, physicians, nurses, psychologists, and social workers. Each task force must include representatives of the licensing agency, higher education systems offering programs in the profession, appropriate professional associations, students or recent graduates, representatives of communities served by the profession, and employers or experienced professionals. The center must establish guidelines for the work of the task forces. Each task force must review current programs, licensing regulations and examinations, and accreditation standards to identify specific needs and plans for ensuring that professionals are adequately prepared and updated on violence and abuse issues.

Subd. 5. [PROGRESS REPORT.] The center shall provide a progress report to the legislature by March 15, 1994.

Sec. 14. [INSTITUTE FOR CHILD AND ADOLESCENT SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] The interdisciplinary committee established in Laws 1992, chapter 571, article 1, section 28, shall continue planning for an institute for child and adolescent sexual health.

Subd. 2. [SPECIFIC RECOMMENDATIONS.] (a) The committee shall develop specific recommendations regarding the structure, funding, staffing and staff qualifications, siting, and affiliations of the institute, and a detailed plan for long-term funding of the institute which shall not be a state program.

(b) The committee shall also clearly document and describe the following:

(1) the problems to be addressed by the institute, including statistical data on the extent of these problems;

(2) strategies already available in the professional literature to address these problems;

(3) information on which of these strategies have been implemented in Minnesota, including data on the availability and effectiveness of these strategies and gaps in the availability of these strategies;

(4) the rationale for the recommended design of the institute; and

(5) the mission of the institute, including a code of ethics for conducting research.

Subd. 3. [REPORT.] The commissioner of health shall submit a report to the legislature by January 1, 1994, based on the recommendations of the committee.

Sec. 15. [SURVEY OF INMATES.]

Subdivision 1. [SURVEY REQUIRED.] The commissioner of corrections shall conduct a survey of inmates in the state correctional system who have been committed to the custody of the commissioner for a period of more than one year's incarceration. The survey may be conducted by an outside party. In surveying the inmates, the commissioner shall take steps to ensure that the confidentiality of responses is strictly maintained. The survey shall compile information about each inmate concerning, but not limited to, the following:

(1) offense for which currently incarcerated;

(2) sex of inmate, place of birth, date of birth, and age of mother at birth;

(3) major caretaker during preschool years, marital status of family, and presence of male in household during childhood;

(4) number of siblings;

(5) attitude toward school, truancy history, and school suspension history;

(6) involvement of sibling or parent in criminal justice system;

(7) age of inmate's first involvement in criminal justice system, the type of offense or charge, the response of criminal justice system, and the type of treatment or punishment, if any;

(8) nature of discipline used in home;

- (9) placement in foster care or adoption;
- (10) childhood traumas;
- (11) most influential adult in life;
- (12) chemical abuse problems among adults in household while a child;
- (13) inmate's chemical history, and if a problem of chemical abuse exists, the age of its onset;
- (14) city, suburb, small town, or rural environment during childhood and state or states of residence before the age of 18;
- (15) number of times family moved during school years;
- (16) involvement with school or community activities;
- (17) greatest problem as a child;
- (18) greatest success as a child; and
- (19) physical or sexual abuse as a child.

Subd. 2. [REPORT.] By January 1, 1994, the commissioner shall compile the results of the survey and report them to the chairs of the senate committee on crime prevention and the house committee on judiciary. Information concerning the identity of individual inmates shall not be reported.

Sec. 16. Laws 1991, chapter 279, section 41, is amended to read:

Sec. 41. [REPEALERS.]

(a) Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4, are repealed.

(b) Minnesota Statutes 1990, section 609.101, subdivision 3, is repealed effective July 1, 1993 1995.

Sec. 17. [REPEALER.]

Sections 4, and the increases from 20 percent to 30 percent in section 9, are repealed effective July 1, 1995. Minnesota Statutes 1992, section 299A.325, is repealed.

ARTICLE 12

APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$10,325,000 is appropriated from the general fund to the agencies and for the purposes indicated in this article, to be available for the fiscal year ending June 30 in the years indicated.

	1994	1995
Sec. 2. DEPARTMENT OF EDUCATION		
For violence prevention education grants under Minnesota Statutes, section 126.78.	1,500,000	1,500,000

Sec. 3. HIGHER EDUCATION COORDINATING BOARD

For purposes of article 11, sections 7 to 10.

200,000 200,000

Sec. 4. DARE ADVISORY COUNCIL

For drug abuse resistance education programs under Minnesota Statutes, section 299A.331.

190,000 190,000

Sec. 5. DEPARTMENT OF PUBLIC SAFETY

1,307,000 1,176,000

(a) For community crime reduction grants under Minnesota Statutes, section 299A.35. A minimum of two-thirds of this appropriation must be used for grants to programs qualifying under Minnesota Statutes, section 299A.35, subdivision 1, clauses (2) and (4).

600,000 600,000

(b) To reimburse local correctional agencies for costs incurred to comply with article 10, section 3.

25,000 25,000

(c) For the implementation of the seven-day fingerprint identification service. The complement of the department is increased by three positions for this purpose.

110,000 100,000

(d) For the costs of addressing workload increases in maintaining the BCA's computerized criminal history data system. The complement of the department is increased by five positions for this purpose.

174,000 152,000

(e) For the costs of providing training on and auditing of the BCA's criminal justice information systems reporting requirements. The complement of the department is increased by two positions for this purpose.

100,000 100,000

(f) For the costs of addressing workload increases in maintaining the criminal justice data communications network. The complement of the department is increased by two positions for this purpose.

73,000 99,000

(g) For the costs of providing training on and auditing of the criminal justice data communications network criminal justice information systems reporting requirements. The complement of the depart-

ment is increased by two positions for this purpose.	100,000	100,000
(h) For the development of a community data model for state, county, and local criminal justice information systems.	125,000	-0-
Sec. 6. DEPARTMENT OF HUMAN SERVICES		
For the Asian juvenile crime prevention grant program authorized by Minnesota Statutes, section 256.486.	500,000	500,000
Sec. 7. DEPARTMENT OF HEALTH		
For the planning process for an institute for child and adolescent sexual health.	65,000	-0-
Sec. 8. DEPARTMENT OF CORRECTIONS		
(a) For the survey of inmates required by article 11, section 13.	25,000	-0-
(b) For the sex offender programming project required by article 8, section 6, to be available until June 30, 1995.	1,175,000	1,300,000
The complement of the department is increased by four positions.		
(c) For the costs of providing training on and auditing of criminal justice information systems reporting requirements. The complement of the department is increased by one position for this purpose.	50,000	50,000
Sec. 9. SUPREME COURT		
(a) For the costs of addressing workload increases in maintaining the supreme court information system.	50,000	47,000
(b) For the costs of providing training on and auditing of criminal justice information systems reporting requirements.	100,000	100,000
Sec. 10. SENTENCING GUIDELINES COMMISSION		
For the costs of providing training on and auditing of criminal justice information systems reporting requirements. The complement of the commission is increased by one position for this purpose.	50,000	50,000"

Delete the title and insert:

"A bill for an act relating to crime; prohibiting drive-by shootings, possession of dangerous weapons and trespassing on school property, negli-

gent storage of firearms, and reckless discharge of firearms; providing for forfeiture of vehicles used in drive-by shootings and prostitution; authorizing certain governmental entities to adopt certain firearms ordinances; providing for access to juvenile court records; increasing penalty for repeat violations of pistol permit law; extending wiretap warrant period; providing for sentence of life without release for first-degree murder of a peace officer; making terminology changes and technical corrections related to new felony sentencing law; expanding scope of sex offender registration and DNA specimen provisions; requiring certain counties to establish diversion programs; appropriating money; amending Minnesota Statutes 1992, sections 16B.08, subdivision 7; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 147.09; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 168.345, by adding a subdivision; 169.121, subdivision 3a; 169.222, subdivision 6, and by adding a subdivision; 169.64, subdivision 3; 169.98, subdivision 1a; 171.12; by adding a subdivision; 238.16, subdivision 2; 241.021, subdivision 1; 241.09; 241.67, subdivisions 1, 2, and by adding a subdivision; 243.166, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; 243.18, subdivision 2, and by adding a subdivision; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 256.486; 260.161, subdivisions 1 and 3; 260.185, subdivision 1; 289A.63, by adding a subdivision; 297B.10; 299A.35, subdivisions 1 and 2; 299C.46, by adding a subdivision; 299C.54, by adding a subdivision; 299D.06; 357.021, subdivision 2; 388.23, subdivision 1; 401.02, subdivision 4; 471.633; 480.0591, subdivision 6; 541.15; 609.0341, subdivision 1; 609.035; 609.06; 609.101, subdivisions 1, 2, 3, 4, and by adding a subdivision; 609.11; 609.135; subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.184, subdivision 2; 609.196; 609.229, subdivision 3; 609.251; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.531; 609.5311, subdivision 3; 609.5312, subdivision 2; 609.5314, subdivisions 1 and 3; 609.5315, subdivisions 1, 2, and 4; 609.582, subdivision 1a; 609.585; 609.605, by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.713, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 611A.06, subdivision 1; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 10; 624.7132, subdivisions 4 and 8; 624.714, subdivision 1; 626.05, subdivision 2; 626A.06, subdivisions 4 and 5; 629.291, subdivision 1; 631.41; Laws 1991, chapter 279, section 41; Laws 1991, chapter 292, article 1, section 16; and Laws 1992, chapter 571, article 16, section 4; proposing coding for new law in Minnesota Statutes, chapters 254A; 401; 609; and 624; repealing Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; 241.671; 243.165; and 299A.325."

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

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

S.F. No. 1559: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services,

facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; raising income tax rates; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 16A.1541; 120.062, subdivision 9; 120.0621, by adding a subdivision; 120.064, subdivisions 1, 3, 4, 5, 8, 9, 11, 18, 21, and by adding a subdivision; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.105; 120.17, subdivisions 2, 3, 11a, 11b, 12, 14, 15, and by adding subdivisions; 121.11, subdivisions 7, 12, and by adding subdivisions; 121.14; 121.16, subdivision 1; 121.585, subdivision 2; 121.612, subdivisions 2 and 4; 121.831; 121.87, subdivision 1; 121.88, subdivisions 1, 4, 7, and 10; 121.904, subdivisions 4a and 14; 121.906; 121.908, subdivisions 1 and 2; 121.912, subdivision 6; 121.931, subdivision 5; 122.23, subdivision 18, and by adding a subdivision; 122.243, subdivision 2; 122.895, subdivision 2, and by adding a subdivision; 123.33, by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, subdivision 1; 123.3514, subdivisions 6, 6b, and 6c; 123.36, by adding a subdivision; 123.38, subdivisions 2 and 2b; 123.39, by adding a subdivision; 123.702, subdivisions 1, 1a, 3, and 5; 123.7045; 123.80, subdivision 1; 123.951; 124.17, subdivisions 1, 1, and by adding a subdivision; 124.19, subdivisions 1, 4, 5, and 5; 124.195, subdivisions 9, 9, and 10; 124.225, subdivisions 1, 1, 3a, 7b, 7d, 7e, 8a, and 10; 124.226, subdivisions 3, 5, 9, and by adding a subdivision; 124.243, subdivisions 2, 2a, 3, 6, and by adding a subdivision; 124.244, subdivisions 1 and 2; 124.245, subdivision 6; 124.26, subdivisions 1c and 2; 124.2601, subdivisions 4 and 6; 124.2615, subdivisions 2 and 3; 124.2711, subdivisions 1, 2a, and by adding subdivisions; 124.2713, subdivisions 2, 6, and by adding subdivisions; 124.2714; 124.2716; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.2727; 124.273, subdivision 1b, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding subdivisions; 124.321, subdivisions 1 and 2; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.431, subdivisions 1a and 14; 124.573, subdivisions 2b, 3, and by adding subdivisions; 124.574, subdivision 2b; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.85, subdivisions 1, 4, and 5; 124.91, subdivision 5; 124.912, by adding a subdivision; 124.914, by adding a subdivision; 124.916, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, 3, 3, and 4; 124.961; 124A.02, by adding a subdivision; 124A.03, subdivisions 1e, 1f, 1g, and by adding a subdivision; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 4, 4a, 5, 6, 9, and by adding subdivisions; 124A.23, subdivisions 1, 5, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.291; 124C.08, subdivisions 1 and 2; 124C.09; 124C.48, by adding a subdivision; 125.032, subdivision 2; 125.05, subdivisions 1a and 1a; 125.138; 126.22, subdivision 8; 126.67, subdivision 8; 126.70; 127.455; 127.46; 128B.10, subdivision 1; 144.29; 144.4165; 171.29, subdivision 2; 273.1398, subdivision 2a; 275.065, subdivision 6; 275.48; 290.06, subdivisions 2c and 2d; 290.091, subdivisions 1, 2, and 6; 475.61, subdivision 3; and 609.685, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; 124A; 124C; 125; 126; 126B; 128A; and 290; repealing Minnesota Statutes 1992, sections 120.095; 120.101, subdivisions 5a and 5b; 120.75, subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6, 13, 15, and 16; 121.165; 121.19; 121.49; 121.496; 121.585, subdivision 3; 121.609; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5;

121.931, subdivisions 6, 6a, 7, and 8; 121.934; 121.935; 121.936, subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 122.91; 122.95; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.351; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.58; 123.61; 123.67; 123.709; 123.744; 124.19, subdivisions 1, 1b, 6, and 7; 124.197; 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; 124.32, subdivision 5; 124.331; 124.332; 124.333; 124.573, subdivisions 2c and 2d; 124.575, subdivisions 2 and 4; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 124.912, subdivisions 4 and 5; 124A.26, subdivision 1a; 124A.27, subdivision 1; 125.05, subdivision 1b; 125.12, subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.02; 126.025; 126.031; 126.06; 126.08; 126.09; 126.111; 126.112; 126.12, subdivision 2; 126.20, subdivision 4; 126.24; 126.268; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12; Laws 1991, chapter 265, article 4, section 29; Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14; Laws 1991, chapter 265, article 1, section 30; Laws 1991, chapter 265, article 2, section 19.

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

Page 22, line 22, delete “.114” and insert “.1.45”

Page 35, after line 35, insert:

“Sec. 38. Minnesota Statutes 1992, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the ~~prior~~ *second previous* school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405;

or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 124.918, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, and subsequent years, an amount equal to the increase derived by increasing the amount determined by paragraph (c) shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum according to the following formula, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph

shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 39. Minnesota Statutes 1992, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [RETIEMENT CONTRIBUTION LEVY DISALLOWED.] (a) Notwithstanding any law to the contrary, *except as provided in paragraph (b)*, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

(b) *If the employer retirement fund contributions under subdivision 2a or any other subdivision of this section are increased by an enactment of the 1993 legislature, the applicable school district may levy in payable 1994 or later an amount equal to the amount derived by applying the net increased employer retirement fund contribution rate of the respective teacher retirement fund association to the total covered payroll of the applicable teacher retirement fund association expected for the year in which the levy is payable. The revenue from any levy under this paragraph must be transferred to the applicable teacher retirement fund association.*"

Page 36, line 23, delete "CORRECTIONS" and insert "CORRECTION"

Page 36, delete lines 24 to 36

Page 37, line 1, delete "Subd. 3." and insert "Subdivision 1."

Page 37, delete lines 6 to 8

Page 37, line 9, delete "5" and insert "2"

Page 37, line 12, delete "subdivisions 1 and 3" and insert "subdivision 1"

Page 37, line 31, delete "38" and insert "37 and 40"

Renumber the sections of article 1 in sequence

Page 105, line 10, delete "135" and insert "\$135"

Page 105, line 14, delete "100" and insert "\$100"

Page 105, line 22, delete "120" and insert "\$120"

Page 105, line 25, delete "100" and insert "\$100"

Page 105, line 31, delete "50" and insert "\$50"

Page 147, line 12, reinstate the stricken language and delete the new language

Page 148, line 2, reinstate the stricken language and delete the new language

Page 148, line 23, after the period, insert "*A district that is a member of an intermediate school district organized pursuant to chapter 136D may not access revenue under this section.*"

Page 148, line 30, delete "(a) A district that"

Page 148, delete lines 31 to 34

Page 148, line 35, delete "(b)" and delete "*that is not a member of*" and insert "*other than*"

Page 154, line 32, delete "124.2727, subdivisions 6 and 7;"

Page 215, line 15, delete "\$7,334,000" and insert "\$8,664,000"

Page 215, line 16, delete "\$7,567,000" and insert "\$7,802,000"

Page 215, line 18, delete "\$6,432,000" and insert "\$7,762,000"

Page 215, line 19, delete "\$1,135,000" and insert "\$1,370,000"

Page 242, line 30, delete "\$14,297,000" and insert "\$14,292,000"

Amend the title as follows:

Page 2, line 24, after the semicolon, insert "298.28, subdivision 4; 354A.12, subdivision 2;"

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

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

S.F. No. 1619: A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; non-band harvest under band permit; authority to transfer land; compensation to counties; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Delete everything after the enacting clause and insert:

"Section 1. [97A.159] [1837 TREATY AREA AGREEMENT.]

Subdivision 1. [PURPOSE.] The purpose of this section is to resolve issues in dispute between the state of Minnesota and the Mille Lacs Band of Chippewa Indians that relate to hunting, fishing, and gathering in the ceded area described in the July 29, 1837, treaty between the Chippewa and the government of the Statutes at Large, volume 7, page 536. This treaty was proclaimed by the United States on June 15, 1838. The recognition of certain rights claimed by the band under this treaty has been sought in a civil action brought in the United States District Court for the District of Minnesota,

Fourth Division, entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605. The state desires to settle all outstanding matters relating to this dispute under the 1837 treaty as well as all issues arising from the band's rights to fish in the waters of Mille Lacs lake under the treaty made February 22, 1855, and proclaimed by the United States on April 7, 1855, Statutes at Large, volume-10, page 1165.

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

(b) "Amended settlement agreement" means the original settlement agreement as amended in accordance with subdivision 3.

(c) "Band" means the Mille Lacs Band of Chippewa Indians.

(d) "Band conservation code" means the band conservation code as defined in the original settlement agreement.

(e) "Harvest" means harvest as defined in the original settlement agreement.

(f) "Minnesota ceded territory" means the Minnesota ceded territory as defined in the original settlement agreement.

(g) "Original settlement agreement" means the document entitled "Settlement Agreement Between the Mille Lacs Band of Chippewa Indians and the State of Minnesota Regarding Treaty Hunting, Fishing, and Gathering Rights" on file and of record in the United States District Court for the District of Minnesota, Fourth Division, in the action entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605.

(h) "Treaty fishing zone" or "zone" means the treaty fishing zone in Mille Lacs lake as defined in the original settlement agreement.

Subd. 3. [AUTHORITY TO ENTER INTO AMENDED SETTLEMENT AGREEMENT.] (a) The legislature authorizes the commissioner to enter into an amended settlement agreement with the Mille Lacs Band of Chippewa Indians consisting of the provisions of the original settlement agreement, as amended in accordance with paragraph (b).

(b) The amended settlement agreement must provide that:

(1) the treaty fishing zone exists solely to delineate the area of Mille Lacs lake in which the band may harvest game fish by spearing and netting in accordance with the band conservation code and does not affect activities of nonband members in the zone;

(2) the annual band harvest of game fish by spearing and netting in the treaty fishing zone is limited to seven percent of the total annual harvest of fish by species in Mille Lacs lake;

(3) 7,500 additional acres of public land will be transferred to the United States in trust for the band, for a total of 15,000 acres;

(4) before agreeing to the substitution of other waters for those specified in part IV, section B, paragraph 4, subparagraph c, of the original settlement agreement, relating to netting and spearing of game fish by band members, the commissioner shall consult with the affected counties and with the chairs of the standing committees of the legislature having jurisdiction over natural resources;

(5) it is not the intent, through the amended settlement agreement, to either recognize or deny the present validity of the boundaries of the band's reservation as established by the treaty of February 22, 1855;

(6) it is not the intent, through the amended settlement agreement, to recognize, deny, or in any way alter the rights, if any, of any other signatory of the treaty of July 29, 1837; and

(7) the state and the band have until August 31, 1993, to ratify the amended settlement agreement.

Subd. 4. [NONBAND HARVEST UNDER BAND PERMIT.] *In addition to existing nonband member harvest under state law, nonband members may harvest natural resources in the Minnesota ceded territory as permitted by the amended settlement agreement and the band conservation code.*

Subd. 5. [CONSTITUTIONALITY OF SETTLEMENT AGREEMENT REQUIRED.] *The legislature intends that the amended settlement agreement conform with all state and federal constitutional requirements and federal and state law. The attorney general shall approve and certify that the amended settlement agreement complies with substantive and procedural state and federal constitutional requirements and federal and state law before the amended settlement agreement is submitted to the federal district court.*

Subd. 6. [COMMISSIONER'S POWERS AND DUTIES.] (a) *Notwithstanding any other law to the contrary, the commissioner on behalf of the state, shall take all actions, by rule or otherwise, necessary to carry out the duties and obligations of the state arising from the amended settlement agreement whether or not specifically enumerated in this section.*

(b) *Powers of the commissioner granted in paragraph (a) include the following:*

(1) *the implementation of the treaty rights of the band and its members to hunt, fish, and gather wild rice within the areas described in the amended settlement agreement, together with exemption from related possession and transportation laws, to the extent necessary to effectuate the terms of the amended settlement agreement;*

(2) *the establishment of policies, procedures, and rules for the enforcement by conservation officers of the band conservation code to the extent necessary to effectuate the terms of the amended settlement agreement;*

(3) *the conveyance of 15,000 acres of state land, including any interests in minerals owned by the state located thereon, to the band as provided in the amended settlement agreement;*

(4) *the acquisition, in accordance with subdivision 8, of resorts in the vicinity of the treaty fishing zone, and the retention, management, and resale of the acquired resorts;*

(5) *the condemnation of fee title, including mineral interests owned by the state, to state public lands as defined by chapter 92 for the purpose of conveying lands under the amended settlement agreement;*

(6) *upon request by a county, compensation of the county for the fair market value of lands or interests in land owned or managed by the county that are conveyed under clause (3); and*

(7) upon request by a county, and within the limits of money appropriated for the purpose, compensation of the county for law enforcement and other costs incurred as a result of implementation of the amended settlement agreement, provided the commissioner determines the costs are reasonable.

Subd. 7. [AUTHORITY TO CONVEY CERTAIN LANDS; PAYMENTS IN LIEU OF TAXES.] (a) Notwithstanding any other law to the contrary, the commissioner may convey to the band, under subdivision 6, paragraph (b), clause (3), lands acquired under chapter 282; lands owned in fee; lands owned in trust for local taxing districts; school trust lands; and university trust lands. When lands under the jurisdiction of the commissioner of revenue are selected, the commissioner of revenue shall convey title to those lands. Not more than 15 percent of the total lands transferred may be lands that are both held in trust for local taxing districts and administered by the counties.

(b) The commissioner shall continue to make payments in accordance with sections 97A.061 and 477A.11 to 477A.13, for lands conveyed under subdivision 6, paragraph (b), clause (3), at the rate for the type of land conveyed.

Subd. 8. [ACQUISITION OF RESORTS.] (a) The acquisition by the commissioner of resorts under subdivision 6, paragraph (b), clause (4), must be carried out in accordance with this subdivision. To qualify to have a resort acquired by the commissioner, the owner of the resort must comply with paragraphs (b) and (c).

(b) The resort owner must demonstrate to the commissioner that:

(1) the resort is riparian to Mille Lacs Lake and is located within section 2, 3, 4, 11, or 12, Township 42 North, Range 27 West, or sections 16, 17, 18, 21, 22, 27, 28, or 33, Township 43 North, Range 27 West;

(2) the resort was commercially operated by the owner in 1992 or 1993;

(3) an audit of the resort's financial statement demonstrates that revenue has substantially diminished as compared with years before 1993; and

(4) the diminishment of revenue is a result of the establishment of the treaty fishing zone in the vicinity of the resort.

(c) A resort owner must give notice of an intent to be considered for eligibility under this section to the commissioner in writing by December 1, 1993, and must submit a written request for acquisition of the resort to the commissioner by July 1, 1998.

(d) The price paid by the commissioner to acquire a resort under this subdivision must be the fair market value as of July 1, 1992, or as of the date of the resort owner's written request for acquisition under paragraph (c), whichever is greater.

(e) The purchase of resorts under this subdivision must be carried out in accordance with established procedures under applicable state and federal law.

(f) Notwithstanding section 477A.12, if the commissioner acquires a resort under this subdivision, the payments under sections 477A.11 to 477A.13 shall be in an amount equal to the taxes payable in 1993.

(g) *The commissioner shall, within three years after the purchase of a resort under this subdivision, either: (1) use the area to provide public access to the lake; or (2) sell the resort. Section 92.45 does not apply to the sale of a resort under this paragraph.*

Subd. 9. [FUTURE APPROPRIATION NEEDS.] The commissioner shall prepare and submit to the governor for inclusion in the budget an itemization of the funds required to implement subdivision 6, paragraph (b), clauses (4) to (7), and subdivision 8.

Sec. 2. [APPROPRIATIONS.]

(a) *\$8,600,000 is appropriated from the general fund to the commissioner of natural resources for payment to the Mille Lacs Band of Chippewa Indians.*

(b) *\$175,000 is appropriated from the general fund to the commissioner of natural resources for fiscal year 1994 and \$317,000 for fiscal year 1995 for land transfer costs under section 1. Any balance not expended in the first year does not cancel and is available for expenditure in the second year.*

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2, paragraph (a), is effective 30 days after the effective date of the amended settlement agreement."

Delete the title and insert:

"A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; nonband harvest under band permit; authority to transfer land; compensation to counties; resort acquisition; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A."

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

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 694: A bill for an act relating to drivers' licenses; allowing use of results of preliminary screening test of driver's breath to be used in actions for driver's license reinstatement; clarifying administrative revocation penalties; amending Minnesota Statutes 1992, sections 169.121, subdivisions 4 and 6; and 171.166, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 168.042, subdivision 2, is amended to read:

Subd. 2. [VIOLATION; ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when:

(1) a person's driver's license or driving privileges are revoked for a third violation, as defined in subdivision 1, paragraph (c), clause (1), within five

years or a fourth or subsequent violation, as defined in subdivision 1, paragraph (c), clause (1), within 15 years; ~~or~~

(2) a person's driver's license or driving privileges are revoked for a violation of section 169.121, subdivision 3, paragraph (c), clause (4), within five years of one previous violation or within 15 years of two or more previous violations, as defined in subdivision 1, paragraph (c), clause (1); or

(3) a person is arrested for or charged with a violation described in subdivision 1, paragraph (c), clause (2) or (3).

The order shall require the impoundment of the registration plates of the vehicle involved in the violation and all vehicles owned by, registered, or leased in the name of the violator, including vehicles registered jointly or leased in the name of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Sec. 2. Minnesota Statutes 1992, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a crime for any person to drive, operate, or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state:

(a) when the person is under the influence of alcohol;

(b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a), (b), and (f);

(d) when the person's alcohol concentration is ~~0-10~~ at the *per se* level or ~~more~~ higher;

(e) when the person's alcohol concentration as measured within two hours of the time of driving is ~~0-10~~ at the *per se* level or ~~more~~ higher; or

(f) when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle.

Sec. 3. Minnesota Statutes 1992, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of ~~0-05~~ or less than one-half the *per se* level is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of ~~more than 0.05 and~~ *at or exceeding one-half the per se level but less than 0.10 the per se level* is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section or an ordinance in conformity with it.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to *equal or exceed 0.10 the per se level*. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Sec. 4. Minnesota Statutes 1992, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this subdivision:

(1) "prior impaired driving conviction" means a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 86B.331, subdivision 1, paragraph (a); 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult; and

(2) "prior license revocation" means a driver's license suspension, revocation, or cancellation under this section; section 169.123; 171.04; 171.14; 171.16; 171.17; or 171.18 because of an alcohol-related incident; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with either of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1 within five years of a prior impaired driving conviction, or within ten years of the first of two or more prior impaired driving convictions;

(2) the person violates subdivision 1a within five years of a prior license revocation, or within ten years of the first of two or more prior license revocations; or

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

Sec. 5. Minnesota Statutes 1992, section 169.121, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) The commissioner of public safety shall revoke the driver's license of a person convicted of violating this section or an ordinance in conformity with it as follows:

(1) first offense under subdivision 1: not less than 30 days;

(2) first offense under subdivision 1a: not less than 90 days;

(3) second offense in less than five years: ~~(i) if the current conviction is for a violation of subdivision 1, not less than 180 days one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126; or (ii) if the current conviction is for a violation of subdivision 1a, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126;~~

(4) third offense in less than five years: not less than one year, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner;

(5) fourth or subsequent offense on the record: not less than two years, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner.

(b) If the person convicted of violating this section is under the age of 18 years, the commissioner of public safety shall revoke the offender's driver's license or operating privileges until the offender reaches the age of 18 years or for a period of six months or for the appropriate period of time under paragraph (a), clauses (1) to (5), for the offense committed, whichever is the greatest period.

(c) For purposes of this subdivision, a juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them is an offense.

(d) Whenever department records show that the violation involved personal injury or death to any person, not less than 90 additional days shall be added to the base periods provided above.

(e) *Except for a person whose license has been revoked under paragraph (b), any person whose license has been revoked pursuant to section 169.123 as the result of the same incident, and who does not have a prior impaired driving conviction or prior license revocation as defined in subdivision 3 within the previous ten years is subject to the mandatory revocation provisions of paragraph (a), clause (1) or (2), in lieu of the mandatory revocation provisions of section 169.123.*

Sec. 6. Minnesota Statutes 1992, section 169.121, subdivision 6, is amended to read:

Subd. 6. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe from the manner in which a person is driving, operating, controlling, or acting upon departure from a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or has violated subdivision 1 or section 169.1211 or 169.1213, the officer may require the driver to provide a sample of the driver's breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the tests authorized in section 169.123, but shall not be used in any court action except (1) to prove that a test was properly required of a person pursuant to section 169.123, subdivision 2; or (2) in a civil action arising out of the operation or use of the motor vehicle. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver who refuses to furnish a sample of the driver's breath is subject to the provisions of section 169.123 unless, in compliance with section 169.123, the driver submits to a blood, breath or urine test to determine the presence of alcohol or a controlled substance.

Sec. 7. Minnesota Statutes 1992, section 169.121, subdivision 8, is amended to read:

Subd. 8. [CHEMICAL USE ASSESSMENT.] When the evidentiary test shows an alcohol concentration of ~~0.07 or more~~ *at or exceeding one-half the per se level*, that result shall be reported to the commissioner of public safety. The commissioner shall record that fact on the driver's record. When the driver's record shows a second or subsequent report of an alcohol concentration of ~~0.07 or more~~ *at or exceeding one-half the per se level* within two years of a recorded report, the commissioner may require that the driver have a chemical use assessment meeting the commissioner's requirements. The assessment shall be at the driver's expense. In no event shall the commissioner deny the license of a person who refuses to take the assessment or to undertake treatment, if treatment is indicated by the assessment, for longer than 90 days. If an assessment is made pursuant to this section, the commissioner may waive the assessment required by section 169.126.

Sec. 8. Minnesota Statutes 1992, section 169.121, subdivision 10a, is amended to read:

Subd. 10a. [CIVIL ACTION; PUNITIVE DAMAGES.] In a civil action involving a motor vehicle accident, evidence that the accident was caused by a driver (1) with a blood alcohol concentration of ~~10 or more~~ *at or exceeding the per se level*, (2) who was under the influence of a controlled substance, or (3) who was under the influence of alcohol and refused to take a test required under section 169.123, subdivision 2, is sufficient for the trier of fact to consider an award of punitive damages. A criminal charge or conviction is not a prerequisite to consideration of punitive damages under this subdivision. At the trial in an action where the trier of fact will consider an award of punitive damages, evidence that the driver has been convicted of violating this section, section 169.129, or 609.21 is admissible into evidence.

Sec. 9. Minnesota Statutes 1992, section 169.121, is amended by adding a subdivision to read:

Subd. 12. [DEFINITION; PER SE LEVEL.] *As used in this section, "per se level" means an alcohol concentration of 0.10.*

Sec. 10. [169.1213] [ALCOHOL-RELATED DRIVING BY A PERSON UNDER THE AGE OF 21 YEARS.]

Subdivision 1. [CRIME.] *It is a misdemeanor for any person under the age of 21 years to drive, operate, or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state when:*

(1) *the person's alcohol concentration is 0.02 or more and less than the per se level; or*

(2) *the person's alcohol concentration as measured within two hours of the time of driving is 0.02 or more and less than the per se level.*

Subd. 2. [ARREST.] *A peace officer may lawfully arrest a person for violation of subdivision 1 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.*

When a peace officer has probable cause to believe that a person is violating subdivision 1, and before a stop or arrest can be made the person escapes from the geographical limits of the officer's jurisdiction, the officer in fresh pursuit of the person may stop or arrest the person in another jurisdiction within this state and may exercise the powers and perform the duties of a peace officer under this section and sections 169.121 and 169.123. An officer acting in fresh pursuit under this subdivision is serving in the regular line of duty as fully as though within the officer's jurisdiction.

The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers under sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 1 or any other provision of law.

Subd. 3. [EVIDENCE.] (a) *Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for violating subdivision 1, the court may admit evidence of the amount of alcohol in the person's blood, breath, or urine as shown by an analysis of those items.*

(b) *If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (2), that the defendant consumed a sufficient quantity of alcohol after the time of the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.02. This evidence may not be admitted*

unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

(c) Paragraphs (a) and (b) do not limit the introduction of any other competent evidence bearing upon the question whether the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Subd. 4. [ADMINISTRATIVE PENALTY.] Upon receipt of a record of conviction or adjudication for a violation of this section, the commissioner of public safety shall suspend a person's driving privileges for 30 days for the first conviction or adjudication under this section and for 180 days for the second or subsequent conviction or adjudication under this section.

Sec. 11. Minnesota Statutes 1992, section 169.1217, subdivision 1, is amended to read:

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

(a) "Appropriate authority" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense.

(b) "Designated offense" includes a violation of section 169.121, an ordinance in conformity with it, or 169.129:

(1) within five years of three prior driving under the influence convictions or three prior license revocations based on separate incidents;

(2) within 15 years of the first of four or more prior driving under the influence convictions or the first of four or more prior license revocations based on separate incidents;

(3) by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (8); or

(4) by a person who is subject to a restriction on the person's driver's license under section 171.09 which provides that the person may not use or consume any amount of alcohol or a controlled substance.

"Designated offense" also includes a violation of section 169.121, subdivision 3, paragraph (c), clause (4):

(1) within five years of two prior driving under the influence convictions or two prior license revocations based on separate incidents; or

(2) within 15 years of the first of three or more prior driving under the influence convictions or the first of three or more prior license revocations based on separate incidents.

(c) "Motor vehicle" and "vehicle" have the meaning given "motor vehicle" in section 169.121, subdivision 11. The terms do not include a vehicle which is stolen or taken in violation of the law.

(d) "Owner" means the registered owner of the motor vehicle according to records of the department of public safety and includes a lessee of a motor vehicle if the lease agreement has a term of 180 days or more.

(e) "Prior driving under the influence conviction" means a prior conviction under section 169.121; 169.129; or 609.21; subdivision 1, clauses (2) to (4); 2, clauses (2) to (4); 2a, clauses (2) to (4); 3, clauses (2) to (4); or 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior driving under the influence conviction also includes a prior juvenile adjudication that would have been a prior driving under the influence conviction if committed by an adult.

(f) "Prior license revocation" has the meaning given it in section 169.121, subdivision 3.

(g) "Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense.

Sec. 12. Minnesota Statutes 1992, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION OF TEST.]
(a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or upon the ice of any boundary water of this state consents, subject to the provisions of this section and ~~section sections~~ 169.121, 169.1211, and 169.1213, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or

(4) the screening test was administered and indicated an alcohol concentration of ~~0.10 or more~~ *at or exceeding the per se level*.

The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle, *or the person is under the age of 21 years and was driving, operating, or in physical control of a motor vehicle*, with the presence of any alcohol.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled substance or, if the motor vehicle was a commercial motor vehicle *or if the person is under the age of 21 years*, that Minnesota law requires the person to take a test to determine the presence of alcohol;

(2) that refusal to take a test is a crime;

(3) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and

(4) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Sec. 13. Minnesota Statutes 1992, section 169.123, subdivision 4, is amended to read:

Subd. 4. [REFUSAL; REVOCATION OF LICENSE.] If a person refuses to permit a test, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. However, if a peace officer has probable cause to believe that the person has violated section 609.21, a test may be required and obtained despite the person's refusal. A refusal to submit to an alcohol concentration test does not constitute a violation of section 609.50, unless the refusal was accompanied by force or violence or the threat of force or violence. If a person submits to a test and the test results indicate an alcohol concentration of ~~0-10 or more~~ *at or exceeding the per se level*, or if a person was driving, operating, or in physical control of a commercial motor vehicle and the test results indicate an alcohol concentration of 0.04 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. *If the person is under the age of 21 years and submits to a test and the test results indicate an alcohol concentration of 0.02 or more and less than the per se level, the test results shall be reported to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.*

Upon certification by the peace officer that there existed probable cause to believe the person *has violated section 169.121 or is under the age of 21 years* and had been driving, operating, or in physical control of a motor vehicle ~~while under the influence with the presence of any alcohol or a controlled substance~~, and that the person refused to submit to a test, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year even if a test was obtained pursuant to this section after the person refused to submit to testing. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle for a period of one year under section 171.165 and shall revoke the person's license or permit to drive or nonresident operating privilege for a period of one year. ~~If the person refusing to submit to testing is under the age of 18 years, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year or until the person reaches the age of 18 years, whichever~~

is greater. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to a test and the test results indicate an alcohol concentration of 0.10 or more at or exceeding the per se level, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for: (1) a period of 90 180 days; or (2) if the person is under the age of 18 21 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater; or (3) if the person's driver's license or driving privileges have been previously revoked within the past five years under this section or section 169.121, for a period of 180 days one year. On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner of public safety shall disqualify the person from operating a commercial motor vehicle under section 171.165.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 14. Minnesota Statutes 1992, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR DISQUALIFICATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more at or exceeding the per se level. On behalf of the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for seven days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

Sec. 15. Minnesota Statutes 1992, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the alleged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had probable cause to believe the person was driving, operating, or in physical control of (i) a motor vehicle while under the influence of alcohol or a controlled substance, ~~or~~ (ii) a commercial motor vehicle with any presence of alcohol, *or (iii) a motor vehicle with any presence of alcohol when the person is under the age of 21 years*, and whether the person was lawfully placed under arrest for violation of section 169.121 ~~or~~, 169.1211, *or 169.1213*, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of ~~0.10 or more~~ *at or exceeding the per se level*; and

(2) whether at the time of the request for the test the peace officer informed the person of the person's rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of ~~0.10 or more~~ *at or exceeding the per se level* at the time of testing, or if a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle and the test results indicated an alcohol concentration of 0.04 or more at the time of testing; whether the testing method used was valid and reliable; and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for further action by the commissioner of public safety if the license or permit is not already in the commissioner's possession.

Sec. 16. Minnesota Statutes 1992, section 169.123, subdivision 10, is amended to read:

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] If the commissioner receives notice of the driver's attendance at a driver improvement clinic, attendance at counseling sessions, or participation in treatment for an alcohol problem the commissioner may, 30 days prior to the time the revocation period would otherwise expire, terminate the revocation period, *provided that such action does not result in a revocation period of less than*

90 days for a driver's first violation of this section or section 169.121 or of less than one year for the driver's second or subsequent violation of this section or section 169.121. The commissioner shall not terminate the revocation period under this subdivision for a driver who has had a license revoked under section 169.121 or this section for another incident during the preceding three-year period.

Sec. 17. Minnesota Statutes 1992, section 169.123, is amended by adding a subdivision to read:

Subd. 11. [DEFINITION.] For purposes of this section, "per se level" has the meaning given in section 169.121, subdivision 12.

Sec. 18. Minnesota Statutes 1992, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension, revocation, or denial under any of the following: section 169.121, 169.1211, 169.1213, or 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

Sec. 19. Minnesota Statutes 1992, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. [OTHER WAITING PERIODS.] Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) ~~45~~ 30 days, to a person who submitted to testing under section 169.123 and whose license or privilege has been revoked or suspended for a violation of section 169.121 or 169.123;

(2) 90 days, to a person who ~~submitted~~ refused to submit to testing under section 169.123 if the person's and whose license or privilege has been revoked or suspended for a violation of section 169.121 or 169.123;

(3) one year, to a person whose license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 or 169.123 within a five-year period; or

~~(3) 180 days~~ (4) one year, to a person who refused testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 or 169.123; or to a person whose license or privilege has been revoked or suspended for commission of the offense of manslaughter resulting from the operation of a motor vehicle or criminal vehicular homicide or injury under section 609.21.

Sec. 20. Minnesota Statutes 1992, section 171.305, subdivision 2, is amended to read:

Subd. 2. [PILOT PROGRAM.] The commissioner shall establish a state-wide pilot program for the use of an ignition interlock device by a person

whose driver's license or driving privilege has been canceled and denied by the commissioner for an alcohol or controlled substance related incident. *The commissioner shall conduct the program until December 31, 1995.* The commissioner shall evaluate the program and shall report to the legislature by February 1, ~~1994~~ 1995, on whether changes in the program are necessary and whether the program should be permanent. No limited license shall be issued under this program after August 1, ~~1993~~ 1995.

Sec. 21. Minnesota Statutes 1992, section 609.21, is amended to read:

609.21 [CRIMINAL VEHICULAR HOMICIDE AND INJURY.]

Subdivision 1. [CRIMINAL VEHICULAR HOMICIDE.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level; or
- (4) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular homicide resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [RESULTING IN GREAT BODILY HARM.] Whoever causes great bodily harm to another, not constituting attempted murder or assault, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level; or
- (4) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2a. [RESULTING IN SUBSTANTIAL BODILY HARM.] Whoever causes substantial bodily harm to another, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more at or exceeding the per se level; or

(4) while having an alcohol concentration of 0.10 or more at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more at or exceeding the per se level; or

(4) while having an alcohol concentration of 0.10 or more at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm to an unborn child who is subsequently born alive, as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more at or exceeding the per se level; or

(4) while having an alcohol concentration of 0.10 or more at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 5. [DEFINITION DEFINITIONS.] For purposes of this section, "motor vehicle" has the meaning given in section 609.52, subdivision 1, and "per se level" has the meaning given in section 169.121, subdivision 12.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 5, 7 to 12, 14, 15, 17, 18, and 21 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 16 and 19 are effective January 1, 1994, and apply to violations committed on or after that date. Section 20 is effective the day following final enactment.

Sections 6 and 13 are effective August 1, 1993, and apply to violations committed on or after that date, except that the provisions extending revocation periods are effective January 1, 1994."

Delete the title and insert:

"A bill for an act relating to driving while intoxicated; increasing driver's license revocation periods and restricting issuance of limited licenses to persons convicted of DWI, to comply with federal standards; increasing penalties for driving while intoxicated with a child under 16 in the vehicle; establishing misdemeanor offense of operating a motor vehicle by a minor with alcohol concentration greater than 0.02; providing for implied consent to test minor's blood, breath, or urine and making refusal to take test a crime; amending Minnesota Statutes 1992, sections 168.042, subdivision 2; 169.121, subdivisions 1, 2, 3, 4, 6, 8, 10a, and by adding a subdivision; 169.1217, subdivision 1; 169.123, subdivisions 2, 4, 5a, 6, 10, and by adding a subdivision; 169.129; 171.30, subdivision 2a; 171.305, subdivision 2; and 609.21; proposing coding for new law in Minnesota Statutes, chapter 169."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 878 and 694 were read the second time.

MEMBERS EXCUSED

Ms. Hanson was excused from the Session of today. Mr. Beckman, Mrs. Pariseau and Ms. Krentz were excused from the Session of today from 8:30 to 9:10 a.m. Mr. Laidig was excused from the Session of today from 8:30 to 9:00 a.m. Mr. Mondale was excused from the Session of today from 8:30 a.m. to 1:00 p.m. Messrs. Metzen and Solon were excused from the Session of today from 12:30 to 1:30 p.m. Mr. Knutson was excused from the Session of today from 12:30 to 1:10 p.m. Ms. Wiener and Mr. Betzold were excused from the Session of today from 12:45 to 1:00 p.m. Messrs. Dille, Frederickson and Johnson, D.E. were excused from the Session of today from 2:05 to 2:25 p.m. Messrs. Janezich and Solon were excused from the Session of today at 2:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, April 26, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-THIRD DAY

St. Paul, Minnesota, Monday, April 26, 1993

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Douglas R. Potter.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

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

April 21, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and

deposited in the Office of the Secretary of State, S.F. Nos. 186, 198, 605, 789 and 903.

Warmest regards,
Arne H. Carlson, Governor

April 22, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
186		34	3:40 p.m. April 21	April 21
903		35	3:50 p.m. April 21	April 21
789		36	3:48 p.m. April 21	April 21
605		37	3:46 p.m. April 21	April 21
198		38	3:42 p.m. April 21	April 21
	111	39	3:52 p.m. April 21	April 21
	552	40	3:56 p.m. April 21	April 21

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 Files, herewith returned: S.F. Nos. 270, 483 and 568.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 23, 1993

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. 1503: A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections

3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

Senate File No. 1503 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 23, 1993

Mr. Beckman moved that the Senate do not concur in the amendments by the House to S.F. No. 1503, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1720, 43, 947, 969, 1450 and 350.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 23, 1993

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1735:

H.F. No. 1735: A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a

subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212; subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

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

Rest; Olson, E.; Anderson, I.; Wagenius and Long have been appointed as such committee on the part of the House.

House File No. 1735 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 23, 1993

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1735, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

FIRST READING OF HOUSE BILLS

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

H.F. No. 1720: A bill for an act relating to metropolitan government; requiring at least one member of metropolitan transit commission to be disabled user of transit system; amending Minnesota Statutes 1992, section 473.404, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 269, now on General Orders.

H.F. No. 43: A bill for an act relating to transportation; allocating funding for town bridges replaced by culverts when replacement does not exceed \$20,000; amending Minnesota Statutes 1992, section 161.082, subdivision 2a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 773, now on General Orders.

H.F. No. 947: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Sherburne and Stearns counties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 896, now on General Orders.

H.F. No. 969: A bill for an act relating to transportation; adopting federal motor carrier safety regulations; allowing small motor carriers to file abbreviated annual reports; providing for registration of interstate motor carriers; defining terms; allowing 45-foot buses to be operated in the state; exempting drivers of lightweight vehicles from driver qualification rules; requiring information on shipping documents and other motor carrier records; making technical changes; imposing penalties; amending Minnesota Statutes 1992, sections 168.011, subdivision 36; 168.1281, subdivision 3; 169.781, subdivision 3; 169.81, subdivision 2; 221.011, by adding subdivisions; 221.031, subdivisions 1, 2, 2a, 2b, 3, 3a, 3b, 3c, 5, and 6; 221.0313, subdivision 1; 221.033, subdivisions 2 and 2a; 221.035, subdivision 2; 221.036, subdivisions 1 and 3; 221.172; 221.81, subdivision 3e; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Laws 1992, chapters 568, section 1; and 578, section 15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1504, now on General Orders.

H.F. No. 1450: A bill for an act relating to game and fish; authorizing expenditure of RIM funds for restoration of fish and wildlife habitat; directing a report on plantings of native trees and shrubs; amending Minnesota Statutes 1992, section 84.95, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1476.

H.F. No. 350: A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; other education programs; miscellaneous provisions; choice programs; libraries; state agencies; and realignment of responsibilities; making conforming changes; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3, 4, and 16; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261; subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.84, subdivision 3; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 128C.02, by adding a subdivision; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1,

2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 275.48; 473F.02, by adding a subdivision; and 475.61, subdivision 3; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; 145.926; and Laws 1988, chapter 486, section 59.

Mr. Moe, R.D. moved that H.F. No. 350 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 1205 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1205	1192				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 1122 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1122	1142				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 854 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
854	1216				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 854 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 854 and insert the language after the enacting clause of S.F. No. 1216, the first engrossment; further, delete the title of H.F. No. 854 and insert the title of S.F. No. 1216, the first engrossment.

And when so amended H.F. No. 854 will be identical to S.F. No. 1216, and further recommends that H.F. No. 854 be given its second reading and substituted for S.F. No. 1216, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

S.F. No. 1559: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; raising income tax rates; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 16A.1541; 120.062, subdivision 9; 120.0621, by adding a subdivision; 120.064, subdivisions 1, 3, 4, 5, 8, 9, 11, 18, 21, and by adding a subdivision; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.105; 120.17, subdivisions 2, 3, 11a, 11b, 12, 14, 15, and by adding subdivisions; 121.11, subdivisions 7, 12, and by adding subdivisions; 121.14; 121.16, subdivision 1; 121.585, subdivision 2; 121.612, subdivisions 2 and 4; 121.831; 121.87, subdivision 1; 121.88, subdivisions 1, 4, 7, and 10; 121.904, subdivisions 4a and 14; 121.906; 121.908, subdivisions 1 and 2; 121.912, subdivision 6; 121.931, subdivision 5; 122.23, subdivision 18, and by adding a subdivision; 122.243, subdivision 2; 122.895, subdivision 2, and by adding a subdivision; 123.33, by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, subdivision 1; 123.3514, subdivisions 6, 6b, and 6c; 123.36, by adding a subdivision; 123.38, subdivisions 2 and 2b; 123.39, by adding a subdivision; 123.702, subdivisions 1, 1a, 3, and 5; 123.7045; 123.80, subdivision 1; 123.951; 124.17, subdivisions 1, 1, and by adding a subdivision; 124.19, subdivisions 1, 4, 5, and 5; 124.195, subdivisions 9, 9, and 10; 124.225, subdivisions 1, 1, 3a, 7b, 7d, 7e, 8a, and 10; 124.226, subdivisions 3, 5, 9, and by adding a subdivision; 124.243, subdivisions 2, 2a, 3, 6, and by adding a subdivision; 124.244, subdivisions 1 and 2;

124.245, subdivision 6; 124.26, subdivisions 1c and 2; 124.2601, subdivisions 4 and 6; 124.2615, subdivisions 2 and 3; 124.2711, subdivisions 1, 2a, and by adding subdivisions; 124.2713, subdivisions 2, 6, and by adding subdivisions; 124.2714; 124.2716; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.2727; 124.273, subdivision 1b, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding subdivisions; 124.321, subdivisions 1 and 2; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.431, subdivisions 1a and 14; 124.573, subdivisions 2b, 3, and by adding subdivisions; 124.574, subdivision 2b; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.85, subdivisions 1, 4, and 5; 124.91, subdivision 5; 124.912, by adding a subdivision; 124.914, by adding a subdivision; 124.916, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, 3, 3, and 4; 124.961; 124A.02, by adding a subdivision; 124A.03, subdivisions 1e, 1f, 1g, and by adding a subdivision; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 4, 4a, 5, 6, 9, and by adding subdivisions; 124A.23, subdivisions 1, 5, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.291; 124C.08, subdivisions 1 and 2; 124C.09; 124C.48, by adding a subdivision; 125.032, subdivision 2; 125.05, subdivisions 1a and 1a; 125.138; 126.22, subdivision 8; 126.67, subdivision 8; 126.70; 127.455; 127.46; 128B.10, subdivision 1; 144.29; 144.4165; 171.29, subdivision 2; 273.1398, subdivision 2a; 275.065, subdivision 6; 275.48; 290.06, subdivisions 2c and 2d; 290.091, subdivisions 1, 2, and 6; 298.28, subdivision 4; 354A.12, subdivision 2; 475.61, subdivision 3; and 609.685, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; 124A; 124C; 125; 126; 126B; 128A; and 290; repealing Minnesota Statutes 1992, sections 120.095; 120.101, subdivisions 5a and 5b; 120.75, subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6, 13, 15, and 16; 121.165; 121.19; 121.49; 121.496; 121.585, subdivision 3; 121.609; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5; 121.931, subdivisions 6, 6a, 7, and 8; 121.934; 121.935; 121.936, subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 122.91; 122.95; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.351; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.58; 123.61; 123.67; 123.709; 123.744; 124.19, subdivisions 1, 1b, 6, and 7; 124.197; 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; 124.32, subdivision 5; 124.331; 124.332; 124.333; 124.573, subdivisions 2c and 2d; 124.575, subdivisions 2 and 4; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 124.912, subdivisions 4 and 5; 124A.26, subdivision 1a; 124A.27, subdivision 1; 125.05, subdivision 1b; 125.12, subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.02; 126.025; 126.031; 126.06; 126.08; 126.09; 126.111; 126.112; 126.12, subdivision 2; 126.20, subdivision 4; 126.24; 126.268; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12; Laws 1991, chapter 265, article 4, section 29; Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14; Laws 1991, chapter 265, article 1, section 30; Laws 1991, chapter 265, article 2, section 19.

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

Page 6, line 31, delete the comma and insert "or"

Page 6, line 32, delete everything after "bond" and insert a period

Page 6, delete line 33

Page 7, line 28, after "fund" insert "for the biennium ending June 30, 1995"

Page 22, line 22, delete ".145" and insert ".145"

Page 37, line 15, strike "1989" and insert "1993"

Page 40, line 25, delete "\$1,887,549,000" and insert "\$1,888,238,000"

Page 40, line 26, delete "\$2,072,898,000" and insert "\$2,072,208,000"

Page 40, line 28, delete "\$1,629,998,000" and insert "\$1,630,687,000"

Page 40, line 30, delete "\$1,795,035,000" and insert "\$1,794,345,000"

Page 115, after line 27, insert:

"Sec. 35. Minnesota Statutes 1992, section 145.926, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION.] The commissioner of education shall give priority to funding existing programs at their current levels.

To the extent possible, the commissioner shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach."

Page 120, after line 32, insert:

"The commissioner of finance shall make these sums available in the fiscal years designated upon agreement by the commissioners of education, finance, and jobs and training as to how ECFE, learning readiness, and head start spending will be coordinated."

Page 122, after line 9, insert:

"The commissioner of finance shall make these sums available in the fiscal years designated upon agreement by the commissioners of education, finance, and jobs and training as to how ECFE, learning readiness, and head start spending will be coordinated."

Page 122, line 14, delete from "Upon" through page 122, line 17, to "coordinated,"

Page 123, line 1, delete "35" and insert "36"

Page 123, after line 10, insert:

"Subd. 17. [COMMUNITY RESOURCES PROGRAM.] For grants according to Minnesota Statutes, section 466A.05:

\$2,046,000 1994

This sum shall be transferred to the department of trade and economic development for community resources program grants."

Renumber the sections of article 4 in sequence

Pages 139 and 140, delete sections 27 and 28

Renumber the sections of article 5 in sequence

Page 189, line 15, delete "[126.685]"

Page 189, line 16, delete "is annually" and insert "in fiscal year 1994 and \$6,500,000 in fiscal year 1995 is"

Page 189, line 19, before "is" insert "each year" in both places

Page 260, after line 27, insert:

"Sec. 30. [ENVIRONMENTAL EDUCATION.]

The advisory board established in Minnesota Statutes, section 126A.02, shall advise the commissioner of education on development of results-oriented graduation date."

Page 260, line 30, delete "and 5b"

Page 260, line 32, delete "121.496;"

Page 261, line 10, after "sections" insert "120.101, subdivision 5b;"

Page 261, line 14, delete "126A.03;"

Page 261, lines 19 and 20, delete "30" and insert "31"

Page 263, line 35, after "the" insert "Minnesota chapter of the"

Page 267, line 36, delete "40" and insert "41"

Page 268, lines 1 and 2, delete "40" and insert "41"

Renumber the sections of article 12 in sequence

Amend the title as follows:

Page 1, line 7, before "state" insert "and" and delete ", maximum"

Page 1, delete line 8

Page 1, line 9, delete "bonds"

Page 2, line 21, after "144.4165;" insert "145.926, subdivision 4;"

Page 2, line 33, delete "121.496;"

Page 2, line 57, delete "126A.03;"

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

SECOND READING OF SENATE BILLS

S.F. No. 1559 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1205, 1122 and 854 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Betzold moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1315. The motion prevailed.

Mr. Solon moved that the name of Mr. Kroening be added as a co-author to S.F. No. 712. The motion prevailed.

Mr. Larson introduced—

Senate Resolution No. 39: A Senate resolution congratulating members of the Students in Free Enterprise team at Fergus Falls Community College for their outstanding achievement at regional competition.

Referred to the Committee on Rules and Administration.

Mr. Price introduced—

Senate Resolution No. 40: A Senate resolution recognizing the Woodbury High School chapter of the Distributive Education Clubs of America (DECA).

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that H.F. No. 350 be taken from the table. The motion prevailed.

H.F. No. 350: A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; other education programs; miscellaneous provisions; choice programs; libraries; state agencies; and realignment of responsibilities; making conforming changes; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3, 4, and 16; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2;

124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69; subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.84, subdivision 3; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 128C.02, by adding a subdivision; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 275.48; 473F.02, by adding a subdivision; and 475.61, subdivision 3; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721; subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; 145.926; and Laws 1988, chapter 486, section 59.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 350 and that the rules of the Senate be so far suspended as to give H.F. No. 350 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 350 was read the second time.

Mr. Pogemiller moved to amend H.F. No. 350 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 350, and insert the language after the enacting clause, and the title, of S.F. No. 1559, the third engrossment.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 350. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 40 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kroening	Mondale	Reichgott
Anderson	Finn	Langseth	Morse	Riveness
Beckman	Flynn	Lessard	Novak	Sams
Berg	Hanson	Luther	Pappas	Samuelson
Berglin	Hottinger	Marty	Piper	Spear
Bertram	Janezich	Merriam	Pogemiller	Stumpf
Betzold	Kelly	Metzen	Price	Vickerman
Chandler	Krentz	Moe, R.D.	Ranum	Wiener

Those who voted in the negative were:

Belanger	Frederickson	Laidig	Oliver	Stevens
Benson, D.D.	Johnson, D.E.	Larson	Olson	Terwilliger
Benson, J.E.	Johnston	Lesewski	Pariseau	
Day	Kiscaden	McGowan	Robertson	
Dille	Knutson	Neuville	Runbeck	

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend H.F. No. 350, as amended by the Senate, adopted April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 192, delete line 1

Page 192, line 2, delete "*local community characteristics*" and insert "*All information*"

Page 192, line 4, before the period, insert "*must be made available to the public*"

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 144, line 1, after the period, insert "*The provisions in sections 3, 5, 8, 9, 15, and 25 that change the term 'actual pupil unit' to 'marginal cost pupil unit' are effective for fiscal year 1994.*"

Page 191, line 10, delete "126..." and insert "126.019"

Page 191, line 11, delete "....." and insert "LEVY AUTHORITY."

Page 260, line 17, after "*of*" insert "*a*" and delete "*date*" and insert "*rule*"

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 125, line 25, delete "2,000,000" and insert "1,850,000"

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 100, line 26, delete "*other local services collaboratives*" and insert "*a children's mental health collaborative*"

The motion prevailed. So the amendment was adopted.

Ms. Krentz moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 15, after line 32, insert:

"(h) Notwithstanding paragraph (a) or (g), in fiscal years 1995 and 1996, a district may hold any number of referendum elections at any time during the year as determined by the school board."

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 350, as amended by the Senate, adopted April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 197, line 32, after the period, insert "*The members of the panel appointed by the speaker and the subcommittee on committees shall serve as two of the eight members of the coalition representing state and local government.*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 265, line 27, delete from "*3520.1600;*" through page 266, line 7, to "*3520.6900;*"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Adkins	Chandler	Kiscaden	McGowan	Riveness
Anderson	Chmielewski	Knutson	Merriam	Runbeck
Belanger	Day	Laidig	Neuville	Stevens
Benson, D.D.	Frederickson	Langseth	Novak	Vickerman
Benson, J.E.	Johnson, D.E.	Lesewski	Oliver	
Berg	Johnson, J.B.	Lessard	Pariseau	
Bertram	Johnston	Marty	Price	

Those who voted in the negative were:

Beckman	Hanson	Larson	Pappas	Samuelson
Berglin	Hottinger	Luther	Piper	Solon
Betzold	Janezich	Metzen	Pogemiller	Spear
Cohen	Johnson, D.J.	Moe, R.D.	Ranum	Stumpf
Dille	Kelly	Mondale	Reichgott	Terwilliger
Finn	Krentz	Morse	Robertson	Wiener
Flynn	Kroening	Olson	Sams	

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

Mr. Merriam moved to amend H.F. No. 350, as amended by the Senate, adopted April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 267, after line 24, insert:

“Sec. 42. [LEGISLATIVE INTENT.]

The legislature does not intend, by the repeal of the rules listed in section 41, to ratify or endorse the parts of the rules not repealed.”

Page 267, line 25, delete “42” and insert “43”

Page 267, line 30, delete “43” and insert “44”

Page 268, line 2, delete “44” and insert “45”

The motion prevailed. So the amendment was adopted.

Mr. Riveness moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 12, delete sections 8 and 9

Pages 25 to 27, delete section 30

Pages 39 and 40, delete section 42

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Johnston	Metzen	Reichgott	Wiener
Benson, D.D.	Kiscaden	Mondale	Riveness	
Benson, J.E.	Knutson	Novak	Robertson	
Chandler	Lesewski	Oliver	Samuelson	
Day	Marty	Olson	Terwilliger	

Those who voted in the negative were:

Adkins	Dille	Johnson, J.B.	McGowan	Ranum
Anderson	Finn	Kelly	Merriam	Runbeck
Beckman	Flynn	Krentz	Moe, R.D.	Sams
Berg	Frederickson	Kroening	Morse	Solon
Berglin	Hanson	Laidig	Neuville	Spear
Bertram	Holtinger	Langseth	Pappas	Stevens
Betzold	Janezich	Larson	Piper	Stumpf
Chmielewski	Johnson, D.E.	Lessard	Pogemiller	Vickerman
Cohen	Johnson, D.J.	Luther	Price	

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

Mr. Dille moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 260, after line 13, insert:

“Sec. 30. [TEAM NAMES.]

The state board of education shall not adopt any rule that prohibits a school district from selecting team names, mascots, emblems, symbols, or logos for any extracurricular activity.”

Renumber the sections of article 12 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Lesewski	Robertson	Terwilliger
Benson, D.D.	Hanson	McGowan	Runbeck	Vickerman
Benson, J.E.	Johnson, D.E.	Neuville	Sams	
Day	Kiscaden	Oliver	Samuelson	
Dille	Larson	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Moe, R.D.	Ranum
Beckman	Hottinger	Laidig	Mondale	Reichgott
Berglin	Janezich	Langseth	Morse	Riveness
Bertram	Johnson, J.B.	Lessard	Novak	Solon
Betzold	Johnson	Luther	Pappas	Spear
Chandler	Kelly	Marty	Piper	Stumpf
Cohen	Knutson	Merriam	Pogemiller	Wiener
Finn	Krentz	Metzen	Price	

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

Ms. Kiscaden moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 260, line 31, after the fourth semicolon, insert “126.12, subdivision 1;”

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Day	Krentz	Morse	Price
Benson, D.D.	Dille	Laidig	Neuville	Riveness
Benson, J.E.	Frederickson	Luther	Novak	Robertson
Bertram	Hottinger	Marty	Oliver	Runbeck
Betzold	Johnson, J.B.	McGowan	Olson	Spear
Chandler	Kelly	Merriam	Pariseau	Stevens
Cohen	Kiscaden	Mondale	Piper	Wiener

Those who voted in the negative were:

Adkins	Flynn	Knutson	Metzen	Sams
Beckman	Hanson	Kroening	Moe, R.D.	Samuelson
Belanger	Janezich	Langseth	Pappas	Solon
Berg	Johnson, D.E.	Larson	Pogemiller	Stumpf
Chmielewski	Johnson, D.J.	Lesewski	Ranum	Terwilliger
Finn	Johnston	Lessard	Reichgott	Vickerman

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 11, line 30, delete “.77” and insert “.85”

Page 11, line 32, delete “.23” and insert “.15”

Pages 188 and 189, delete section 37

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

Mr. Frederickson requested division of the amendment as follows:

First portion:

Page 11, line 30, delete “.77” and insert “.85”

Page 11, line 32, delete “.23” and insert “.15”

Second portion:

Pages 188 and 189, delete section 37

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

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

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Laidig	Neuville	Riveness
Benson, D.D.	Frederickson	Lesewski	Novak	Runbeck
Benson, J.E.	Johnson, D.E.	Marty	Oliver	Spear
Betzold	Johnston	McGowan	Olson	Stevens
Chandler	Kiscaden	Merriam	Pariseau	Terwilliger
Day	Knutson	Metzen	Price	Wiener

Those who voted in the negative were:

Adkins	Finn	Krentz	Morse	Sams
Anderson	Flynn	Kroening	Pappas	Samuelson
Beckman	Hottinger	Larson	Piper	Solon
Berg	Janezich	Lessard	Pogemiller	Stumpf
Bertram	Johnson, D.J.	Luther	Ranum	Vickerman
Chmielewski	Johnson, J.B.	Moe, R.D.	Reichgott	
Cohen	Kelly	Mondale	Robertson	

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

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

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

Those who voted in the affirmative were:

Anderson	Day	Langseth	Morse	Riveness
Belanger	Dille	Lesewski	Neuville	Runbeck
Benson, J.E.	Johnson, D.J.	Lessard	Novak	Solon
Berg	Johnston	Marty	Oliver	Spear
Betzold	Kiscaden	McGowan	Olson	Stevens
Chandler	Knutson	Merriam	Pariseau	
Chmielewski	Laidig	Metzen	Price	

Those who voted in the negative were:

Adkins	Flynn	Kelly	Pappas	Samuelson
Beckman	Frederickson	Krentz	Piper	Stumpf
Benson, D.D.	Hanson	Kroening	Pogemiller	Terwilliger
Berglin	Hottinger	Larson	Ranum	Vickerman
Bertram	Janezich	Luther	Reichgott	Wiener
Cohen	Johnson, D.E.	Moe, R.D.	Robertson	
Finn	Johnson, J.B.	Mondale	Sams	

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

Mr. Knutson moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 202, lines 34 and 35, delete "\$140,000" and insert "\$500,000"

Page 216, lines 30 and 31, delete "\$500,000" and insert "\$140,000"

Correct the subdivision and section totals and the summaries by fund accordingly

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

Mr. Price moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 189, line 1, delete "\$6,500,000" and insert "\$1,500,000" in both places

Page 189, line 4, delete "\$6,086,000" and insert "\$1,086,000"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Flynn	Lesewski	Neuville	Solon
Benson, J.E.	Johnson, D.E.	Lessard	Oliver	Spear
Berg	Johnson, D.J.	Marty	Olson	Stevens
Betzold	Johnston	McGowan	Pariseau	Wiener
Chandler	Kelly	Merriam	Price	
Day	Knutson	Metzen	Riveness	
Dille	Laidig	Morse	Runbeck	

Those who voted in the negative were:

Adkins	Cohen	Kiscaden	Mondale	Robertson
Anderson	Finn	Krentz	Novak	Sams
Beckman	Frederickson	Kroening	Pappas	Stumpf
Benson, D.D.	Hanson	Langseth	Piper	Terwilliger
Berglin	Hottinger	Larson	Pogemiller	Vickerman
Bertram	Janezich	Luther	Ranum	
Chmielewski	Johnson, J.B.	Moe, R.D.	Reichgott	

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

Ms. Kiscaden moved to amend H.F. No. 350, as amended by the Senate April 26, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 222, line 27, strike "No more than a total of" and delete "20"

Page 222, strike lines 28 to 30

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Stevens moved that the vote whereby the first Kiscaden amendment to H.F. No. 350 was adopted on April 26, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Adkins	Dille	Kelly	McGowan	Runbeck
Beckman	Finn	Knutson	Metzen	Sams
Belanger	Flynn	Kroening	Neuville	Samuelson
Berg	Hanson	Laidig	Olson	Solon
Berglin	Janezich	Langseth	Pappas	Stevens
Bertram	Johnson, D.E.	Larson	Ranum	Stumpf
Chmielewski	Johnson, D.J.	Lesewski	Reichgott	Terwilliger
Day	Johnston	Lessard	Rivness	Vickerman

Those who voted in the negative were:

Anderson	Cohen	Krentz	Mondale	Piper
Benson, D.D.	Frederickson	Luther	Morse	Price
Benson, J.E.	Hottinger	Marty	Novak	Robertson
Betzold	Johnson, J.B.	Merriam	Oliver	Spear
Chandler	Kiscaden	Moe, R.D.	Pariseau	Wiener

The motion prevailed.

The question recurred on the adoption of the Kiscaden amendment.

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

Those who voted in the affirmative were:

Anderson	Dille	Laidig	Morse	Price
Benson, D.D.	Frederickson	Luther	Novak	Robertson
Benson, J.E.	Hottinger	Marty	Oliver	Runbeck
Betzold	Johnson, J.B.	McGowan	Olson	Spear
Chandler	Kiscaden	Merriam	Pariseau	Wiener
Cohen	Krentz	Mondale	Piper	

Those who voted in the negative were:

Adkins	Finn	Knutson	Neuville	Solon
Beckman	Flynn	Kroening	Pappas	Stevens
Belanger	Hanson	Langseth	Pogemiller	Stumpf
Berg	Janezich	Larson	Ranum	Terwilliger
Berglin	Johnson, D.E.	Lesewski	Reichgott	Vickerman
Bertram	Johnson, D.J.	Lessard	Rivness	
Chmielewski	Johnston	Metzen	Sams	
Day	Kelly	Moe, R.D.	Samuelson	

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

H.F. No. 350 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Cohen	Kelly	Moe, R.D.	Ranum
Anderson	Finn	Krentz	Mondale	Reichgott
Beckinan	Flynn	Kroening	Morse	Sams
Berglin	Hanson	Langseth	Novak	Solon
Bertram	Hottinger	Lessard	Pappas	Spear
Betzold	Janezich	Luther	Piper	Stumpf
Chandler	Johnson, D.J.	Marty	Pogemiller	Vickerman
Chmielewski	Johnson, J.B.	Merriam	Price	Wiener

Those who voted in the negative were:

Belanger	Frederickson	Larson	Olson	Stevens
Benson, D.D.	Johnson, D.E.	Lesewski	Pariseau	Terwilliger
Benson, J.E.	Johnston	McGowan	Riveness	
Berg	Kiscaden	Metzen	Robertson	
Day	Knutson	Neuville	Runbeck	
Dille	Laidig	Oliver	Samuelson	

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

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Pogemiller moved that S.F. No. 1559, on General Orders, be stricken and laid on the table. The motion prevailed.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 431: A bill for an act relating to public administration; providing that government records may be stored on optical imaging systems and retained in that format only; amending Minnesota Statutes 1992, sections 15.17, subdivision 1; and 138.17, by adding a subdivision.

Senate File No. 431 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 23, 1993

CONCURRENCE AND REPASSAGE

Mr. Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 431 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 431 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 296, 114, 1476 and 880. The motion prevailed.

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

S.F. No. 327: A bill for an act relating to human services; authorizing intensive family preservation services and child welfare targeted case management services; amending Minnesota Statutes 1992, sections 256B.0625, by adding a subdivision; 256F.06, subdivision 2; 257.3573, by adding a subdivision; and 626.559, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; and 256F.

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

Delete everything after the enacting clause and insert:

“Section 1. [256.8711] [EMERGENCY ASSISTANCE; INTENSIVE FAMILY PRESERVATION SERVICES.]

Subdivision 1. [SCOPE OF SERVICES.] For a family experiencing an emergency as defined in subdivision 2, and for whom the county authorizes services under subdivision 3, intensive family preservation services authorized under this section are:

(1) crisis family based services;

(2) *counseling family based services; and*

(3) *mental health family based services.*

Intensive family preservation services also include family based life management skills when it is provided in conjunction with any of the three family based services in this subdivision. The intensive family preservation services in clauses (1), (2), and (3) and life management skills have the meanings given in section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

Subd. 2. [DEFINITION OF EMERGENCY.] For the purposes of this section, an emergency is a situation in which the dependent children are at risk for out-of-home placement due to abuse, neglect, or delinquency; or when the children are returning home from placements but need services to prevent another placement; or when the parents are unable to provide care.

Subd. 3. [COUNTY AUTHORIZATION.] The county agency shall assess current and prospective client families with a dependent under 21 years of age to determine if there is an emergency, as defined in subdivision 2, and to determine if there is a need for intensive family preservation services. Upon such determinations, during the period of October 1, 1993, to September 30, 1995, counties shall authorize intensive family preservation services for up to 90 days for eligible families under this section and under section 256.871, subdivisions 1 and 3.

Effective October 1, 1995, the counties' obligations to continue the base level of expenditures and to expand family preservation services as defined in section 256F.03, subdivision 5, are eliminated, with the termination of the federal revenue earned under this section.

Subd. 4. [COST TO FAMILIES.] Family preservation services provided under this section or sections 256F.01 to 256F.07 shall be provided at no cost to the client and without regard to the client's available income or assets.

Subd. 5. [EMERGENCY ASSISTANCE RESERVE.] The commissioner shall establish an emergency assistance reserve for families who receive intensive family preservation services under this section. A family is eligible to receive assistance once from the emergency assistance reserve if it received intensive family preservation services under this section within the past 12 months, but has not received emergency assistance under section 256.871 during that period. The emergency assistance reserve shall cover the cost of the federal share of the assistance that would have been available under section 256.871, except for the provision of intensive family preservation services provided under this section. The emergency assistance reserve shall be authorized and paid in the same manner as emergency assistance is provided under section 256.871. Funds set aside for the emergency assistance reserve that are not needed as determined by the commissioner shall be distributed by the terms of subdivision 6, paragraph (a).

Subd. 6. [DISTRIBUTION OF NEW FEDERAL REVENUE.] (a) All federal funds not set aside under paragraph (b), and at least 50 percent of all federal funds earned under this section and earned through assessment activity under subdivision 3, shall be paid to each county based on its earnings and assessment activity, respectively, and shall be used by each county to expand family preservation services as defined in section 256F.03, subdivision 5. If a county joins a local children's mental health collaborative

as authorized by the 1993 legislature, then the federal reimbursement received under this paragraph by the county for providing intensive family preservation services to the local collaborative's target population shall be transferred by the county to the integrated fund. The federal reimbursement transferred to the integrated fund by the county must be used for intensive family preservation services as defined in section 256F.03, subdivision 5, to the target population.

(b) The commissioner shall set aside a portion, not to exceed 50 percent, of the federal funds earned under this section and earned through assessment activity described under subdivision 3. The set aside funds shall be used to expand intensive family preservation services statewide and establish an emergency assistance reserve as provided in subdivision 5. Except for the portion needed for the emergency assistance reserve provided in subdivision 5, the commissioner may distribute the funds set aside through grants to a county or counties to establish and maintain approved intensive family preservation services statewide. Funds available for crisis family based services through section 256F.05, subdivision 8, shall be considered in establishing intensive family preservation services statewide. The commissioner may phase in intensive family preservation services in a county or group of counties as new federal funds become available. The commissioner's priority is to establish a minimum level of intensive family preservation services statewide.

Subd. 7. [EXPANSION OF SERVICES AND BASE LEVEL OF EXPENDITURES.] (a) Counties must continue the base level of expenditures for family preservation services as defined in section 256F.03, subdivision 5, from any state, county, or federal funding source, which, in the absence of federal funds earned under this section and earned through assessment activity described under subdivision 3, would have been available for these services. The commissioner shall review the county expenditures annually, using reports required under sections 245.482, 256.01, subdivision 2, clause (17), and 256E.08, subdivision 8, to ensure that the base level of expenditures for family preservation services as defined in section 256F.03, subdivision 5, is continued from sources other than the federal funds earned under this section and earned through assessment activity described under subdivision 3.

(b) The commissioner may reduce, suspend, or eliminate either or both of a county's obligations to continue the base level of expenditures and to expand family preservation services as defined in section 256F.03, subdivision 5, if the commissioner determines that one or more of the following conditions apply to that county:

(1) imposition of levy limits that significantly reduce available social service funds;

(2) reduction in the net tax capacity of the taxable property within a county that significantly reduces available social service funds;

(3) reduction in the number of children under age 19 in the county by 25 percent when compared with the number in the base year using the most recent data provided by the state demographer's office; or

(4) termination of the federal revenue earned under this section.

(c) The commissioner may suspend for one year either or both of a county's obligations to continue the base level of expenditures and to expand family

preservation services as defined in section 256F.03, subdivision 5, if the commissioner determines that in the previous year one or more of the following conditions applied to that county:

(1) the unduplicated number of families who received family preservation services under section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e), equals or exceeds the unduplicated number of children who entered placement under sections 257.071 and 393.07, subdivisions 1 and 2, during the year;

(2) the total number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or

(3) the average number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county.

(d) For the purposes of this section, the base year is calendar year 1992. For the purposes of this section, the base level of expenditures is the level of county expenditures in the base year for eligible family preservation services under section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

Subd. 8. [COUNTY RESPONSIBILITIES.] (a) Notwithstanding section 256.871, subdivision 6, for intensive family preservation services provided under this section, the county agency shall submit quarterly fiscal reports as required under section 256.01, subdivision 2, clause (17), and provide the nonfederal share.

(b) County expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds.

(c) The commissioner may suspend, reduce, or terminate the federal reimbursement to a county that does not meet the reporting or other requirements of this section.

Subd. 9. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments to counties for social service expenditures for intensive family preservation services under this section shall be made only from the federal earnings under this section and earned through assessment activity described under subdivision 3. Counties may use up to ten percent of federal earnings received under subdivision 6, paragraph (a), to cover costs of income maintenance activities related to the operation of this section.

Subd. 10. [COMMISSIONER RESPONSIBILITIES.] The commissioner in consultation with counties shall analyze state funding options to cover costs of counties' base level expenditures and any expansion of the nonfederal share of intensive family preservation services resulting from implementation of this section. The commissioner shall also study problems of implementation, barriers to maximizing federal revenue, and the impact on out-of-home placements of implementation of this section. The commissioner shall report to the legislature on the results of this analysis and study, together with recommendations, by February 15, 1995."

Amend the title as follows:

Page 1, line 4, delete from "amending" through page 1, line 8, to "subdivision;"

Page 1, delete line 9 and insert "Statutes, chapter 256."

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

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

S.F. No. 296: A bill for an act relating to human services; requiring parent's social security numbers at birth; modifying various child support provisions; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 144.215, by adding a subdivision; 518.551, subdivisions 5 and 7; 518.611, subdivisions 1, 2, 4, 6, and by adding a subdivision; and 518.613, subdivisions 2, 3, and 4.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Spear from the Committee on Crime Prevention, to which was re-referred

S.F. No. 114: A bill for an act relating to state departments; abolishing department of public safety and transferring certain responsibilities and personnel to other agencies; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 13.99, subdivision 82; 15.01; 15A.081, subdivision 1; 16B.14; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 45.027, subdivisions 1, 2, 5, 6, 7, and 8; 45.028, subdivision 1; 65B.28, subdivision 2; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 214.04, subdivision 1; 216C.19, subdivision 1; 218.031, subdivision 2; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.03, subdivision 1; 297C.10, subdivisions 1 and 2; 297C.12; 297C.13, subdivision 1; 299A.02; 299A.30, subdivision 1; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivisions 1, 2, and 4; 299C.01, subdivisions 2 and 4; 299C.06; 299C.13; 299C.50; 299F.01, subdivision 2; 299L.01, subdivision 1; 340A.201; 347.51, subdivision 2a; 349.151, subdivision 2; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; 299A.01; 299C.01, subdivision 1; and 299F.01, subdivisions 1 and 3; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1076: A bill for an act relating to state government; the legislative commission on employee relations; raising the top of a salary range for a judicial position; modifying provisions relating to certain plans; ratifying certain salaries and a bargaining agreement; amending Minnesota Statutes 1992, sections 15A.083, subdivision 4; and 43A.18, subdivision 4; repealing Minnesota Statutes 1992, section 43A.24, subdivision 3.

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

Page 3, after line 8, insert:

“Sec. 3. Minnesota Statutes 1992, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The commissioner shall:

(a) provide mediation services as requested by the parties until the parties reach agreement. The commissioner may continue to assist parties after they have submitted their final positions for interest arbitration;

(b) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(c) maintain a list of arbitrators for referral to employers and exclusive representatives for the resolution of grievance or interest disputes;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner;

(e) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(f) adopt rules relating to the administration of this chapter; and the conduct of hearings and elections;

(g) receive, catalogue, and file all decisions of arbitrators and panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the commissioner's orders and decisions. All decisions catalogued and filed shall be readily available to the public;

(h) adopt, subject to chapter 14, a grievance procedure to fulfill the purposes of section 179A.20, subdivision 4. The grievance procedure shall not provide for the services of the bureau of mediation services. The grievance procedure shall be available to any employee in a unit not covered by a contractual grievance procedure;

(i) conduct elections;

(j) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(k) collect such fees as are established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges;

(l) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers; at the discretion of the commissioner;

(m) provide to the parties a list of arbitrators as required by section 179A.16, subdivision 4;

(n) adopt, subject to chapter 14, uniform baseline determination documents and uniform collective bargaining agreement settlement documents applicable to all negotiations between exclusive representatives of appropriate units of public employees and public employers other than townships and prescribe procedures and instructions for completion of the documents. *The commissioner must, at a minimum, include these individual elements in the uniform baseline determination document: the costs of any increases to the wage schedule; the costs of employees moving through the wage schedule; costs of medical insurance; costs of dental insurance; costs of life insurance; lump sum payments; shift differentials; agreement settlement documents applicable to all negotiations between exclusive representatives of appropriate units of public employees and public employers other than townships and prescribe procedures and instructions for completion of the documents. The commissioner must, at a minimum, include these individual elements in the uniform baseline determination document: the costs of any increases to the wage schedule; the costs of employees moving through the wage schedule; costs of medical insurance; costs of dental insurance; costs of life insurance; lump sum payments; shift differentials; extracurricular activities; longevity; and contributions to a deferred compensation account. The calculation of the base year must be based on an annualization of the costs provided in the base year contract.* A completed uniform collective bargaining agreement settlement document must be presented to the public employer at the time it ratifies a collective bargaining agreement and must be available afterward for inspection during normal business hours at the principal administrative offices of the public employer; and

(o) from the names provided by representative organizations, maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 125.12 or 125.17. The persons on the list shall meet at least one of the following requirements:

- (1) be a former or retired judge;
- (2) be a qualified arbitrator on the list maintained by the bureau;
- (3) be a present, former, or retired administrative law judge; or

(4) be a neutral individual who is learned in the law and admitted to practice in Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party.

Each year, the Minnesota education association shall provide a list of seven names, the Minnesota federation of teachers a list of seven names, and the Minnesota school boards association a list of 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list."

Page 4, line 15, delete "7" and insert "8"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "and" and after the second semicolon, insert "and 179A.04, subdivision 3;"

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

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

S.F. No. 1210: A bill for an act relating to state government; providing for the composition of the legislative advisory commission; providing for review of certain projects; amending Minnesota Statutes 1992, sections 3.30, subdivision 2; 7.09, subdivision 1; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.223, subdivision 2; 298.28, subdivision 7; and 298.296, subdivision 1.

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

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

S.F. No. 834: A bill for an act relating to energy; directing the public service department to evaluate and implement a policy to promote the use of motor vehicles powered by alternate fuels; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

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

Page 4, line 31, after the period, insert "*Assessment receipts are appropriated to the commissioner of public service for fiscal year 1994.*"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "appropriating money;"

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

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

S.F. No. 708: A bill for an act relating to agriculture; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; proposing coding for new law in Minnesota Statutes, chapter 18.

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

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

H.F. No. 882: A bill for an act relating to outdoor recreation; creating the Lake Superior water trail; proposing coding for new law in Minnesota Statutes, chapter 85.

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

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

S.F. No. 1307: A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13.37, subdivision 2; 13B.04; 15.061; 16B.06, subdivision 2; 16B.101, subdivision 3; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42, subdivisions 1, 2, 3, and 4; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.58, subdivisions 1, 5, and 8; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13.

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

Pages 1 and 2, delete section 1 and insert:

"ARTICLE 1
DEPARTMENT OF ADMINISTRATION"

Page 2, line 19, strike "Pursuant to the provisions of" and insert "*In accordance with*"

Page 2, line 24, strike "shall" and insert "*is*" and strike "be"

Page 2, line 34, after "delegate" insert a comma

Pages 3 to 6, delete sections 5 to 8 and insert:

"Sec. 4. Minnesota Statutes 1992, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, herein called the area in *this subdivision*, which shall initially consist of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the center line of Main Street, thence northerly along the center line of Main

Street to the east line of the right-of-way of Interstate Highway 35-E, then northeasterly along the east line of the right-of-way of 35-E, thence Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. Pursuant to Under the comprehensive plan, or any a portion thereof of it, the board may regulate, by means of zoning rules adopted pursuant to under the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person shall may undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when they request it requests reports for their its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall may be built or altered on any public lands within the area unless the plans for the same conforms project conform to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building

areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement ~~shall~~ *may* be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, ~~which~~ *that* may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. ~~Such~~ A competition ~~shall~~ *must* be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected ~~shall~~ become the property of the state of Minnesota, and the board may award one or more premiums in each such competition and may pay ~~such~~ *the* costs and fees ~~as that~~ *as* may be required for ~~the its~~ *its* conduct ~~thereof~~. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided ~~such~~ *the* plans have been considered by the advisory committee described in ~~elause~~ *paragraph* (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board ~~shall~~ *may* not adopt any plan under ~~elause~~ *paragraph* (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee ~~shall~~ *may* not be contestants under clause (e). The comments and criticism ~~shall~~ *must* be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose:

(1) The committee ~~shall~~ *must* be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the ~~same~~ *data* are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, ~~and~~ a copy of any ~~such~~ *such* data prepared by any public employee or agency ~~shall~~ *must* be filed with the board promptly upon completion;

(2) The board may employ ~~such~~ *such* stenographic or technical help ~~as that~~ *as* may be reasonable to assist the committee to perform its duties;

(3) When so directed by the board, the committee may serve as, and any member or members ~~thereof~~ *of the committee* may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee; ~~and~~.

(4) The city of Saint Paul shall advise the board.

(g) The comprehensive plan for the area ~~shall~~ *must* be developed and maintained in close cooperation with the commissioner of trade and economic development ~~and~~, the planning department and the council for the city of

Saint Paul, and the board of the arts, and no such plan or amendment thereof shall of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be under this paragraph are binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall do not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it shall may also have the power to acquire an interest less than a fee simple interest in the property, if it finds that ~~it~~ the property is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and acts amendatory thereof amendments to it.

(l) The board shall meet at the call of the chair and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which such a part as that the commissioner of administration and commissioner of veterans affairs may mutually determine shall must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to such other state departments and agencies as the commissioner may deem desirable."

Page 8, line 4, strike the comma

Page 9, strike lines 25 to 36

Pages 10 and 11, delete section 12 and insert:

"Sec. 8. Minnesota Statutes 1992, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The commissioner of administration shall appoint an intergovernmental information systems advisory council, to

serve at the pleasure of the commissioner of administration, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area, and public libraries; (3) one member each ~~from appointed by~~ the state departments of ~~administration~~, education, human services, revenue, and jobs and training, the office of strategic and long-range planning, and the legislative auditor; (4) one member from the office of the state auditor, ~~appointed by the auditor; and~~ (5) ~~four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council the assistant commissioner of administration for the information policy office;~~ (6) one member appointed by each of the following organizations: league of Minnesota cities, association of Minnesota counties, Minnesota association of township officers, and Minnesota association of school administrators; and (7) one member of the house of representatives appointed by the speaker and one member of the senate appointed by the subcommittee on committees of the committee on rules and administration. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of the appointed members of the advisory council ~~shall be~~ are as provided in section ~~15.059, but the council does not expire until June 30, 1993~~ 15.0575."

Page 11, line 4, after "shall" insert a colon

Page 11, line 9, delete the new language and insert a semicolon

Page 12, line 5, before the semicolon, insert "*which must include the assistant commissioner of the information policy office*"

Page 12, delete lines 14 to 16

Page 12, line 22, delete "authority" and insert "control"

Page 12, after line 35, insert:

"Sec. 12. Minnesota Statutes 1992, section 16B.465, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The commissioner, after consultation with the council, shall:

(1) provide voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through ~~the statewide telecommunications access routing system~~ an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the system users;

(3) set rates and fees for services;

(4) approve contracts relating to the system;

(5) develop the system plan, including plans for the phasing of its implementation and maintenance of the initial system, and the annual program and fiscal plans for the system; and

(6) develop a plan for interconnection of the network with private colleges in the state."

Page 16, delete sections 23 and 24

Page 17, line 4, strike "pursuant to" and insert "under"

Page 17, line 9, delete "shall" and insert "must"

Page 17, line 16, delete "shall be" and insert "is"

Page 17, line 27, strike "for" and insert ". This authority does not extend to."

Page 17, line 28, strike "not" and after "to" insert ": (1)" and after the comma, insert "(2)"

Page 17, line 29, after "or" insert "(3)"

Page 18, line 2, strike ", and if the value" and strike "is estimated to"

Page 18, line 3, strike "be" and delete "\$40,000" and strike "or less, may have" and delete "the" and strike "lands appraised"

Page 18, line 4, before "The" insert "If the land is located in the metropolitan area defined in section 473.121, subdivision 2,"

Page 18, line 5, after the period, insert "If the land is outside the metropolitan area, the commissioner shall have the land appraised if the estimated value is in excess of \$20,000."

Page 18, line 23, strike "the" and insert "their"

Page 19, after line 5, insert:

"Sec. 24. [138A.01] [LABOR INTERPRETIVE CENTER; BOARD OF DIRECTORS.]

Subdivision 1. [ESTABLISHMENT.] The labor interpretive center is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter.

Subd. 2. [PURPOSE.] The purpose of the labor interpretive center is to celebrate the contribution of working people to the past, present, and future of Minnesota; to spur an interest among the people of Minnesota in their own family and community traditions of work; to help young people discover their work skills and opportunities for a productive working life; and to advance the teaching of work and labor studies in schools and colleges.

Subd. 3. [BOARD OF DIRECTORS.] The center is governed by a board of ten directors. The membership terms, compensation, removal, and filling of vacancies of members of the board are as provided in section 15.0575. Membership of the board consists of:

(1) three directors appointed by the governor;

(2) one director appointed by the mayor of St. Paul, subject to the approval of the city council;

(3) three directors appointed by the speaker of the house of representatives; and

(4) three directors appointed by the subcommittee on committees of the senate committee on rules and administration.

Directors must be representatives of labor, business, state and local government, local education authorities, and arts groups.

The board shall select a chair of the board from its members, and any other officers of the board deemed necessary.

Subd. 4. [LOCATION.] The center must be located in the capital area of St. Paul as defined in section 15.50, subdivision 2, at the site recommended by the capitol area architectural and planning board.

Subd. 5. [MEETINGS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice. Board meetings are subject to section 471.705.

Subd. 6. [CONFLICT OF INTEREST.] A director, employee, or officer of the center may not participate in or vote on a decision of the board relating to a matter in which the director has either a direct or indirect financial interest or a conflict of interest as described in section 10A.07.

Subd. 7. [TORT CLAIMS.] The center is a state agency for purposes of section 3.736.

Sec. 25. [138A.02] [CENTER PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint an executive director of the center to serve in the unclassified service. The executive director must be chosen on the basis of training, experience, and knowledge in the areas of labor history and the changing world of work. The center shall employ staff, consultants, and other parties necessary to carry out the mission of the center.

Subd. 2. [STATUS OF EMPLOYEES.] Employees of the center are executive branch state employees.

Sec. 26. [138A.03] [POWERS; DUTIES; BOARD; CENTER.]

Subdivision 1. [GENERAL POWERS.] The board has the powers necessary for the care, management, and direction of the center. The powers include: (1) overseeing the planning and construction of the center as funds are available; (2) leasing a temporary facility for the center during development of its organization and program; and (3) establishing advisory groups as needed to advise the board on program, policy, and related issues.

Subd. 2. [DUTIES.] The center is a state agency for purposes of the following accounting and budgeting requirements:

- (1) financial reports and other requirements under section 16A.06;
- (2) the state budget system under sections 16A.095, 16A.10, and 16A.11;
- (3) the state allotment and encumbrance, and accounting systems under

sections 16A.14, subdivisions 2, 3, 4, and 5; and 16A.15, subdivisions 2 and 3; and

(4) indirect costs under section 16A.127.

Subd. 3. [PROGRAM.] The board shall appoint a program advisory group to oversee the development of the center's programming. It must consist of representatives of cultural and educational organizations, labor education specialists, and curriculum supervisors in local schools. The program of the center may be implemented through exhibits, performances, seminars, films and multimedia presentations, participatory programs for all ages, and a resource center for teachers. Collaborative program development is encouraged with technical colleges, the Minnesota historical society, and other cultural institutions.

Subd. 4. [BOARD OF GOVERNORS.] The board may establish a board of governors to incorporate as a nonprofit organization to receive donations for the center and to serve as honorary advisors to the board of directors.

Sec. 27. [138A.04] [LABOR INTERPRETIVE CENTER ACCOUNT.]

The Minnesota labor interpretive center account is an account in the special revenue fund. Funds in the account not needed for the immediate purposes of the center may be invested by the state board of investment in any way authorized by section 11A.24. Funds in the account are appropriated to the center to be used as provided in this chapter.

Sec. 28. [138A.05] [AUDITS.]

The center is subject to the auditing requirements of sections 3.971 and 3.972.

Sec. 29. [138A.06] [ANNUAL REPORTS.]

The board shall submit annual reports to the legislature on the planning, development, and activities of the center. The board shall supply more frequent reports if requested.

Page 19, line 24, strike "shall be" and insert "is"

Page 20, line 2, delete the new language

Page 20, line 3, delete "society" and strike "shall be" and insert "and the society are"

Page 20, line 21, delete the first "shall" and insert "must" and delete "shall be" and insert "is"

Page 25, after line 3, insert:

"Sec. 37. [LEGISLATIVE AUDITOR.]

The legislative audit commission shall consider directing the legislative auditor to conduct a follow-up study of agency contracting and compliance with laws governing contracting.

Sec. 38. [INITIAL BOARD OF DIRECTORS.]

This section governs the board established by section 24, subdivision 3. Two members appointed by the governor and two members appointed by the mayor

of St. Paul must have two-year initial terms. The initial board of directors must be appointed no later than August 1, 1993.

Sec. 39. [TRANSFER OF APPROPRIATIONS.]

Subdivision 1. [UNENCUMBERED BALANCE.] The unencumbered balance of the appropriation for the labor interpretive center project transferred to the capitol area architectural and planning board in Laws 1991, chapter 345, is transferred to the labor interpretive center account.

Subd. 2. [PROJECT AUTHORIZED BY 1990 LEGISLATURE.] The appropriation in Laws 1990, chapter 610, article 1, section 16, subdivision 4, is transferred to the labor interpretive center."

Page 25, line 9, delete "4, 6 to 8, and 16 to 19" and insert "3, 4, 12 to 16, 24 to 29, and 37 to 39"

Page 25, line 10, delete "to 3, 5, 9 to 15, and 20 to 36" and insert "3, 2, 5 to 11, 17 to 23, 30 to 36, and 40"

Re-number the sections of article 1 in sequence

Page 25, after line 11, insert:

"ARTICLE 2

STATE BUILDING CODE

Section 1. Minnesota Statutes 1992, section 16B.60, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, the University of Minnesota, or the state for public buildings and state licensed facilities.

Sec. 2. Minnesota Statutes 1992, section 16B.60, is amended by adding a subdivision to read:

Subd. 11. [STATE LICENSED FACILITIES.] "State licensed facilities" means a building and its grounds that are licensed by the state as a hospital, nursing home, supervised living facility, free-standing outpatient surgical center, or correctional facility.

Sec. 3. Minnesota Statutes 1992, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings and state licensed facilities. Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building or a state

licensed facility. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

Sec. 4. Minnesota Statutes 1992, section 16B.61, subdivision 4, is amended to read:

Subd. 4. [REVIEW OF PLANS FOR PUBLIC BUILDINGS AND STATE LICENSED FACILITIES.] Construction or remodeling may not begin on any public building owned by the or state licensed facility until the plans and specifications of the public building have been approved by the commissioner or municipality under contractual agreement pursuant to subdivision 1a. In the case of any other public building, The plans and specifications must be submitted to the commissioner for review, and within 30 days after receipt of the plans and specifications, the commissioner or municipality under contractual agreement shall notify the submitting authority of any recommendations corrections.

Sec. 5. Minnesota Statutes 1992, section 16B.62, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The state building code applies statewide and supersedes the building code of any municipality. The state building code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the state building code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the state building code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city outside of its jurisdiction commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. ~~In areas outside of the enforcement authority of a city, the fee charged for the issuance of permits and inspections for single family dwellings may not exceed the greater of \$100 or .005 times the value of the structure, addition, or alteration.~~ The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

Sec. 6. Minnesota Statutes 1992, section 16B.66, is amended to read:

16B.66 [CERTAIN INSPECTIONS.]

The state building inspector may, upon an application setting forth a set of plans and specifications that will be used in more than one municipality to acquire building permits, review and approve the application for the construction or erection of any building or structure designed to provide dwelling space for no more than two families if the set of plans meets the requirements of the state building code. All costs incurred by the state building inspector by virtue of the examination of the set of plans and specifications must be paid by the applicant. ~~The plans and specifications or any plans and specifications required to be submitted to a state agency must be submitted to the state building inspector who shall examine them and if necessary distribute them to the appropriate state agencies for scrutiny regarding adequacy as to electrical, fire safety, and all other appropriate features. These state agencies shall examine and promptly return the plans and specifications together with their certified statement as to the adequacy of the instruments regarding that agency's area of concern.~~ A building official shall issue a building permit upon application and presentation to the official of a set of plans and specifications bearing the approval of the state building inspector if the requirements of all other local ordinances are satisfied.

Sec. 7. Minnesota Statutes 1992, section 16B.70, subdivision 2, is amended to read:

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain *the greater of two percent of the surcharges or that amount collected up to \$25* to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain *the greater of four percent of the surcharges or that amount collected up to \$25* to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to ~~16B.71~~

16B.73, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the general fund.

Sec. 8. Minnesota Statutes 1992, section 16B.72, is amended to read:

16B.72 [REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.]

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the state building code before January 1, 1977, that no part of the state building code except the building requirements for handicapped persons applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

“Shall the state building code be adopted in County?”

If the majority of the votes cast on the proposition is in the negative, the state building code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons do apply.

Nothing in this section precludes a home rule charter or statutory city or town municipality that did not adopt the state building code before January 1, 1977, from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.

Sec. 9. Minnesota Statutes 1992, section 16B.73, is amended to read:

16B.73 [STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.]

The governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application under section 16B.72. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons, does not apply within their respective jurisdictions. *Nothing in this section precludes a municipality from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.*

Sec. 10. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall change each reference to “state building inspector” to “state building official” in sections 16B.62, subdivision 2; 16B.63, subdivisions 1 to 4; 16B.64, subdivision 7; and 16B.66.

Sec. 11. [EFFECTIVE DATE.]

This act is effective the day following final enactment, except that section 7 is effective July 1, 1993.

ARTICLE 3

REGULATING CONTRACTS FOR PROFESSIONAL OR
TECHNICAL SERVICES

Section 1. Minnesota Statutes 1992, section 15.061, is amended to read:

15.061 [~~CONSULTANT, PROFESSIONAL AND OR TECHNICAL SERVICES.~~]

~~Pursuant to the provisions of~~ *In accordance with* section 16B.17, the head of a state department or agency may, with the approval of the commissioner of administration, contract for ~~consultant services and professional and or technical services~~ in connection with the operation of the department or agency. A contract negotiated under this section ~~shall~~ is not be subject to the competitive bidding requirements of chapter ~~46 16B.~~

Sec. 2. Minnesota Statutes 1992, section 16A.11, is amended by adding a subdivision to read:

Subd. 3b. [CONTRACTS.] The detailed budget estimate must also include the following information on professional and technical services contracts:

(1) the number and amount of contracts over \$25,000 for each agency for the past biennium;

(2) the anticipated number and amount of contracts over \$25,000 for each agency for the upcoming biennium; and

(3) the total value of all contracts from the previous biennium, and the anticipated total value of all contracts for the upcoming biennium.

Sec. 3. Minnesota Statutes 1992, section 16B.17, is amended to read:

16B.17 [~~CONSULTANTS AND PROFESSIONAL OR TECHNICAL SERVICES.~~]

Subdivision 1. [TERMS.] For the purposes of this section, ~~the following terms have the meanings given them:~~

(a) [~~CONSULTANT SERVICES.~~] "~~Consultant services~~" "*professional or technical services*" means services ~~which that~~ are intellectual in character; ~~which that~~ do not involve the provision of supplies or materials; ~~which that~~ include *consultation* analysis, evaluation, prediction, planning, or recommendation; and ~~which that~~ result in the production of a report *or the completion of a task.*

(b) [~~PROFESSIONAL AND TECHNICAL SERVICES.~~] "~~Professional and technical services~~" means services which are *predominantly intellectual* in character; ~~which do not involve the provision of supplies or materials; and in which the final result is the completion of a task rather than analysis, evaluation, prediction, planning, or recommendation.~~

Subd. 2. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND OR TECHNICAL SERVICES CONTRACTS.] Before approving a

proposed state contract for ~~consultant services or professional and or~~ technical services the commissioner must determine, at least, that:

(1) all provisions of section 16B.19 and subdivision 3 of this section have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; ~~and~~

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; *and*

(7) the combined contract and its amendments will not extend for more than five years.

Subd. 3. [DUTIES OF CONTRACTING AGENCY.] Before an agency may seek approval of a ~~consultant or professional and or~~ technical services contract valued in excess of \$5,000, it must certify to the commissioner that:

(1) *the agency has publicized the contract by posting notices at appropriate worksites within agencies and has made reasonable efforts to determine that no state employee, including an employee outside the contracting agency, is able to perform the services called for by the contract;*

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) ~~the services are not available as a product of a prior consultant or professional and technical services contract, and~~ the contractor has certified that the product of the services will be original in character;

(4) reasonable efforts were made to publicize the availability of the contract *to the public;*

(5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract; ~~and~~

(6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function; the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services; *and*

(7) the agency will not allow the contractor to begin work before funds are fully encumbered.

The agency certification must provide detail on how the agency complied with this subdivision. In particular, the agency must describe how it complied with clauses (1) and (4) and what steps it has taken to verify the competence of the proposed contractor.

Subd. 3a. [RENEWALS.] The renewal of a professional or technical contract must comply with all requirements, including notice, required for the original contract. A renewal contract must be identified as such. All notices and reports on a renewal contract must state the date of the original contract and the amount paid previously under the contract.

Subd. 4. [REPORTS.] (a) The commissioner shall submit to the governor and the legislature legislative reference library a monthly listing of all contracts for consultant services and for professional and or technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly and annual reports summarizing the contract review activities of the department during the preceding quarter.

(b) The monthly, quarterly, and annual reports must:

- (1) be sorted by agency and by contractor;*
- (2) show the aggregate value of contracts issued by each agency and issued to each contractor;*
- (3) distinguish between contracts that are being issued for the first time and contracts that are being renewed;*
- (4) state the termination date of each contract; and*
- (5) categorize contracts according to subject matter, including topics such as contracts for training, contracts for research and opinions, and contracts for computer systems.*

(c) Within 30 days of final completion of a contract over \$5,000 covered by this subdivision, the chief executive of the agency entering into the contract must submit a one-page statement to the chairs of the appropriate policy and finance committees or divisions in the legislature. The report must:

- (1) summarize the purpose of the contract, including why it was necessary to enter into a contract to further the agency's mission;*
- (2) evaluate the conclusions reached under the contract and state how these conclusions help the agency to take action to further accomplish its mission; and*
- (3) state the amount spent on the contract and explain why this amount was a cost-effective way to enable the agency to provide its services or products better or more efficiently.*

Subd. 5. [CONTRACT TERMS.] (a) A consultant or technical and professional or technical services contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is to be a written report, no more than three copies of the report, one in camera ready form, shall be submitted to the an agency must obtain copies in the most cost-efficient manner. One of the copies must be filed with the legislative reference library.

(b) The terms of the contract must provide that no more than 90 percent of the amount due under the contract may be paid until the final product has been reviewed by the chief executive of the agency entering into the contract,

and the chief executive has certified that the contractor has satisfactorily fulfilled the terms of the contract.

Sec. 4. Minnesota Statutes 1992, section 16B.19, subdivision 2, is amended to read:

Subd. 2. [~~CONSULTANT, PROFESSIONAL AND OR TECHNICAL PROCUREMENTS.~~] Every state agency shall for each fiscal year designate for awarding to small businesses at least 25 percent of the value of anticipated procurements of that agency for ~~consultant services or professional and or technical services.~~ The set-aside under this subdivision is in addition to that provided by subdivision 1, but ~~shall~~ *must* otherwise comply with section 16B.17.

Sec. 5. Minnesota Statutes 1992, section 16B.19, subdivision 10, is amended to read:

Subd. 10. [APPLICABILITY.] This section does not apply to construction contracts or contracts for ~~consultant, professional, or technical services~~ under section 16B.17 that are financed in whole or in part with federal funds and that are subject to federal disadvantaged business enterprise regulations.

Sec. 6. [APPROPRIATION.]

\$. is appropriated to the commissioner of administration for two additional positions to ensure that the commissioner fully complies with laws requiring the commissioner to regulate state agency requests for professional and technical service contracts."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to the department of administration; including state licensed facilities in coverage by the state building code; clarifying certain language, changing certain duties of the state building inspector and fee provisions; relating to the Minnesota labor interpretive center; establishing the center as an independent public corporation; transferring appropriations; appropriating money; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 15.50, subdivision 2; 16A.11, by adding a subdivision; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42, subdivisions 1, 2, 3, and 4; 16B.465, subdivisions 3 and 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.58, subdivision 8; 16B.60, subdivision 3, and by adding a subdivision; 16B.61, subdivisions 1a and 4; 16B.62, subdivision 1; 16B.66; 16B.70, subdivision 2; 16B.72; 16B.73; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; proposing coding for new law as Minnesota Statutes, chapter 138A; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13."

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

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

S.F. No. 184: A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 84.91; 84.911; 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Delete everything after the enacting clause and insert:

“Section 1. [84.93] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 10.

Subd. 2. [ACCOMPANIED.] “Accompanied” means subject to continuous direction or control.

Subd. 3. [CITY.] “City” means a statutory or home rule charter city.

Subd. 4. [COMMISSIONER.] “Commissioner” means the commissioner of natural resources.

Subd. 5. [DEALER.] “Dealer” means a person engaged in the business of selling off-highway motorcycles at wholesale or retail.

Subd. 6. [MANUFACTURER.] “Manufacturer” means a person engaged in the business of manufacturing off-highway motorcycles.

Subd. 7. [OFF-HIGHWAY MOTORCYCLE.] “Off-highway motorcycle” means a motorized, off-highway vehicle traveling on two wheels and having a seat or saddle designed to be straddled by the operator and handlebars for steering control, including a vehicle that is registered under chapter 168 for highway use if it is also used for off-highway operation on trails or unimproved terrain.

Subd. 8. [OWNER.] “Owner” means a person, other than a person with a security interest, that has a property interest in or title to an off-highway motorcycle and is entitled to the use and possession of the motorcycle.

Subd. 9. [PERSON.] “Person” has the meaning given it in section 336.1-201, subsection (30).

Subd. 10. [PUBLIC ROAD RIGHT-OF-WAY.] “Public road right-of-way” means the entire right-of-way of a town road or a county, county state-aid, or trunk highway, including the traveled portions, banks, ditches, shoulders, and medians.

Subd. 11. [REGISTER.] “Register” means the act of assigning a registration number to an off-highway motorcycle.

Sec. 2. [84.931] [REGISTRATION.]

Subdivision 1. [GENERAL REQUIREMENTS.] Unless exempted in subdivision 2, after January 1, 1994, a person may not operate and an owner may not give permission for another to operate an off-highway motorcycle on public lands or waters unless the vehicle has been registered under this section.

Subd. 2. [EXEMPTIONS.] Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) used exclusively in organized track racing events;

(4) being used on private land with the permission of the landowner; or

(5) registered under chapter 168, when operated on forest roads to gain access to a state forest campground.

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of 50 cents in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by a deputy registrar, and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official.

Subd. 4. [REGISTRATION CARD; REPLACEMENT FEE.] The commissioner shall provide to the registrant a registration card that includes the registration number, the date of registration, the make and serial number of the off-highway motorcycle, the owner's name and address, and additional information the commissioner may require. Information concerning registrations must be kept by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed, the commissioner shall issue a replacement registration card upon payment of a fee of \$4. The fees collected from replacement registration cards must be credited to the off-highway motorcycle account.

Subd. 5. [REPORT OF TRANSFERS; FEE.] A person who sells or transfers ownership of an off-highway motorcycle registered under this section shall report the sale or transfer to the commissioner within 15 days of the date of transfer. An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, a bill of sale, and a \$4 fee.

Subd. 6. [REGISTRATION FEES.] (a) The fee for registration of an off-highway motorcycle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is \$30 for three years and \$4 for a duplicate or transfer.

(b) *The total registration fee for off-highway motorcycles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.*

(c) *The total registration fee for off-highway motorcycles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.*

(d) *The fees collected under this subdivision must be credited to the off-highway motorcycle account.*

Subd. 7. [RENEWAL.] An owner of an off-highway motorcycle must renew registration in a manner prescribed by the commissioner upon payment of the appropriate registration fee in subdivision 6.

Subd. 8. [VEHICLES OWNED BY STATE OR POLITICAL SUBDIVISION.] A registration number must be issued without the payment of a fee for off-highway motorcycles owned by the state or political subdivision upon application.

Subd. 9. [LICENSING BY POLITICAL SUBDIVISIONS.] A political subdivision of this state may not require licensing or registration of off-highway motorcycles covered by sections 1 to 10.

Subd. 10. [REGISTRATION BY MINORS PROHIBITED.] A person under the age of 18 may not register an off-highway motorcycle.

Sec. 3. [84.932] [REQUIREMENTS OF MAKERS OF OFF-HIGHWAY MOTORCYCLES.]

Subdivision 1. [IDENTIFICATION NUMBER.] An off-highway motorcycle made after January 1, 1994, and sold in the state, must have a manufacturer's permanent identification number stamped in letters and numbers on the vehicle in the form and at a location prescribed by the commissioner.

Subd. 2. [REGISTRATION NUMBER.] An off-highway motorcycle made after January 1, 1995, and sold in the state, must be designed and made to provide an area to affix the registration number. This area must be at a location and of dimensions prescribed by the commissioner.

Sec. 4. [84.933] [RULEMAKING; ACCIDENT REPORT.]

(a) With a view of achieving proper use of off-highway motorcycles consistent with protection of the environment, the commissioner, in consultation with the commissioners of public safety and transportation, shall adopt rules under chapter 14 relating to:

(1) registration of off-highway motorcycles and display of registration numbers;

(2) use of off-highway motorcycles insofar as game and fish resources are affected;

(3) use of off-highway motorcycles on public lands and waters under the jurisdiction of the commissioner;

(4) uniform signs to be used by the state, counties, and cities necessary or

desirable to control, direct, or regulate the operation and use of off-highway motorcycles; and

(5) off-highway motorcycle sound levels.

(b) The commissioner of public safety, in consultation with the commissioners of natural resources and transportation, may adopt rules under chapter 14 regulating the use of off-highway motorcycles on public roads.

(c) The operator and an officer investigating an accident of an off-highway motorcycle resulting in injury requiring medical attention or hospitalization to or death of a person or total damage to an extent of \$500 or more shall forward within ten days a written report of the accident to the commissioner on a form prescribed by the commissioner.

Sec. 5. [84.934] [EDUCATION AND TRAINING.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a comprehensive off-highway motorcycle environment and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of off-highway motorcycle operators, and the issuance of off-highway motorcycle safety certificates to operators under the age of 16 years who successfully complete the off-highway motorcycle environment and safety education and training courses.

Subd. 2. [FEE.] For the purposes of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee not to exceed \$5 from each person who receives the training. The fees must be credited to the off-highway motorcycle account.

Subd. 3. [COOPERATION AND CONSULTATION.] The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of off-road motorcycle operators.

Sec. 6. [84.935] [SIGNAL FROM OFFICER TO STOP.]

An off-highway motorcycle operator, after having received a visual or audible signal from a law enforcement officer to come to a stop, may not:

(1) operate an off-highway motorcycle in willful or wanton disregard of the signal to stop;

(2) interfere with or endanger the law enforcement officer or another person or vehicle; or

(3) increase speed or attempt to flee or elude the officer.

Sec. 7. [84.936] [YOUTHFUL OPERATORS; PROHIBITIONS.]

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] (a) After January 1, 1995, a person less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 9, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied on another off-highway motorcycle by a person 18 years of age or older.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 9, subdivision 1, paragraph (a), only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

Subd. 2. [HELMET REQUIRED.] A person less than 18 years of age may not operate an off-highway motorcycle on public land, public waters, or on a public road right-of-way unless wearing a safety helmet approved by the commissioner of public safety.

Subd. 3. [PROHIBITIONS ON OWNER.] An owner of an off-highway motorcycle may not knowingly allow it to be operated contrary to this section.

Subd. 4. [EYE PROTECTION REQUIRED.] A person may not operate an off-highway motorcycle without an eye-protective device.

Sec. 8. [84.937] [OFF-HIGHWAY MOTORCYCLE ACCOUNT; RECEIPTS AND ALLOCATIONS.]

Subdivision 1. [REGISTRATION REVENUE.] Fees from the registration of off-highway motorcycles must be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.

Subd. 2. [PURPOSES.] (a) Subject to appropriation by the legislature, money in the off-highway motorcycle account may only be spent for:

(1) administration, enforcement, and implementation of sections 1 to 10;

(2) acquisition, maintenance, and development of off-highway motorcycle trails and use areas; and

(3) grants-in-aid to counties and municipalities to construct and maintain off-highway motorcycle trails and use areas.

(b) The distribution of funds made available for grants-in-aid must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 9. [84.938] [OPERATION REQUIREMENTS; LOCAL REGULATION.]

Subdivision 1. [OPERATION ON PUBLIC ROAD RIGHTS-OF-WAY.] (a) A person may not operate an off-highway motorcycle within the right-of-way of a town road or a trunk, county state-aid, or county highway in this state unless the right-of-way encompasses:

(1) a trail administered by the commissioner and designated for off-highway motorcycle use or multiple use; or

(2) a corridor access trail designated under paragraph (b).

(b) A road authority, as defined in section 160.02, subdivision 9, may designate, with the approval of the commissioner, corridor access trails on public road rights-of-way for gaining access to established off-highway motorcycle trails.

(c) A person may not operate an off-highway motorcycle upon a trunk, county state-aid, or county highway in this state unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rule of the commissioner, and with brakes conforming to standards prescribed by rule of the commissioner, all of which are subject to the approval of the commissioner of public safety.

(d) A person may not operate an off-highway motorcycle at any time within the right-of-way of an interstate highway or freeway within this state.

Subd. 2. [CROSSING PUBLIC ROAD RIGHT-OF-WAY.] (a) A person operating an off-highway motorcycle may make a direct crossing of a public road right-of-way provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the road and at a place where no obstruction prevents a quick and safe crossing;

(2) the off-highway motorcycle is brought to a complete stop before crossing the shoulder or main traveled way of the road;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided road, the crossing is made only at an intersection of the road with another public road; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

(b) Chapter 169 applies to the operation of off-highway motorcycles upon streets and highways, except for those provisions relating to required equipment and those provisions that by their nature have no application.

Subd. 3. [EXEMPTIONS.] Subdivisions 1 and 2 do not apply to vehicles registered for public road use under chapter 168 when being operated on a traveled portion of a public road.

Subd. 4. [OPERATION GENERALLY.] A person may not drive or operate an off-highway motorcycle:

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) in a tree nursery or planting in a manner that damages or destroys growing stock;

(4) without a brake operational by either hand or foot;

(5) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person fishing or a fishing shelter; or

(6) in a manner that violates operation rules adopted by the commissioner.

Subd. 5. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] A person may not operate or be in control of an off-highway motorcycle anywhere in this state or on the ice of any boundary water of this state while under the influence of alcohol or a controlled substance, as provided in section 169.121, and is subject to section 169.123. A conservation officer of the department of natural resources is a peace officer for the purposes of sections 169.121 and 169.123 as applied to the operation of an off-highway motorcycle in a manner not subject to registration under chapter 168.

Subd. 6. [OPERATION PROHIBITED ON AIRPORTS.] A person may not drive or operate an off-highway motorcycle on an airport defined in section 360.013, subdivision 5.

Subd. 7. [ORGANIZED CONTESTS.] Nothing in this section or chapter 169 prohibits the use of off-highway motorcycles within the right-of-way of a state trunk or county state-aid highway or upon public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest or event, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters.

In permitting the contest or event, the official or board having jurisdiction may prescribe restrictions, conditions, or permit revocation procedures, as the official or board considers advisable.

Subd. 8. [REGULATIONS BY POLITICAL SUBDIVISIONS.] A county, city, or town, acting through its governing body, may regulate the operation of off-highway motorcycles on public lands, waters, and property under its jurisdiction other than public road rights-of-way within its boundaries, by resolution or ordinance of the governing body and by giving appropriate notice, provided that:

(1) the regulations must be consistent with sections 1 to 10 and rules adopted under section 4;

(2) an ordinance may not impose a fee for the use of public land or water under the jurisdiction of either the department of natural resources or another agency of the state, or for the use of an access to it owned by the state, a county, or a city; and

(3) an ordinance may not require an off-highway motorcycle operator to possess a motor vehicle driver's license while operating an off-highway motorcycle.

Sec. 10. [84.939] [PENALTIES.]

A person who violates a provision of section 2, 3, 6, 7, or 9 is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1992, section 85.018, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY OF LOCAL GOVERNMENT.] (a) A local government unit that receives state grants-in-aid for any trail, with the concurrence of the commissioner, and the landowner or land lessee, may:

(1) designate the trail for use by snowmobiles or for nonmotorized use from December 1 to April 1 of any year; and

(2) issue any permit required under subdivisions 3 to 5.

(b) A local government unit that receives state grants-in-aid under section 84.927, subdivision 2, or section 8, subdivision 2, for any trail, with the concurrence of the commissioner, and landowner or land lessee, may:

(1) designate the trail specifically for use at various times of the year by all-terrain vehicles or *off-highway motorcycles*, for nonmotorized use such as ski touring, snowshoeing, and hiking, and for multiple use, but not for motorized and nonmotorized use at the same time; and

(2) issue any permit required under subdivisions 3 to 5.

(c) A local unit of government that receives state grants-in-aid for any trail, with the concurrence of the commissioner and landowner or land lessee, may designate certain trails for joint use by snowmobiles, *off-highway motorcycles*, and all-terrain vehicles.

Sec. 12. Minnesota Statutes 1992, section 85.018, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED USE; PERMITS, RESTRICTIONS.] Permits may be issued for motorized vehicles, other than those designated, to use a trail designated for use by snowmobiles, *off-highway motorcycles*, or all-terrain vehicles. Notice of the permit must be conspicuously posted, at the expense of the permit holder, at no less than one-half mile intervals along the trail, for the duration of the permit. Permits shall require that permit holders return the trail and any associated facility to their original condition if any damage is done by the permittee. Limited permits for special events such as races may be issued and shall require the removal of any trail markers, banners and other material used in connection with the special event.

Sec. 13. Minnesota Statutes 1992, section 85.018, subdivision 5, is amended to read:

Subd. 5. [SNOWMOBILE AND ALL-TERRAIN MOTORIZED VEHICLE TRAILS RESTRICTED.] (a) From December 1 to April 1 in any year no use of a motorized vehicle other than a snowmobile, unless authorized by permit, lease or easement, shall be permitted on a trail designated for use by snowmobiles.

(b) From December 1 to April 1 in any year no use of a motorized vehicle other than an all-terrain vehicle and an *off-highway motorcycle*, unless authorized by permit, shall be permitted on a trail designated for use by all-terrain vehicles and *off-highway motorcycles*.

Sec. 14. Minnesota Statutes 1992, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) a person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government, except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota national guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;

(2) any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway, and for purposes of this section an all-terrain vehicle, as defined in section 84.92, subdivision 8, ~~is not an implement and an off-highway motorcycle, as defined in section 1, subdivision 7, are not implements~~ of husbandry;

(3) a nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) a nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;

(5) any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(6) any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, for not more than 30 days after becoming a resident of this state; and

(8) any person operating a snowmobile, as defined in section 84.81.

Sec. 15. Minnesota Statutes 1992, section 466.03, subdivision 16, is amended to read:

Subd. 16. Any claim against a county, arising from the operation of an all-terrain vehicle or off-highway motorcycle on land administered by a county under chapter 280, 281, or 282, except that the county is liable for conduct that would entitle a trespasser to damages against a private person.

Sec. 16. [DETERMINATION OF TAX ALLOCATION; REPORT TO LEGISLATURE.]

The commissioners of natural resources, revenue, and transportation shall jointly determine the amount of unrefunded gasoline tax attributable to off-highway motorcycle use in the state and shall report to the legislature by March 1, 1994, with an appropriate proposed revision to Minnesota Statutes, section 296.16.

Sec. 17. [LEGISLATIVE REPORT ON REGISTRATION AND USE.]

By January 1, 1995, the commissioner of natural resources shall report to the legislature on the number of off-highway motorcycles registered under section 2 and the growth patterns of off-highway motorcycle use in the state.

Sec. 18. [APPROPRIATION AND REIMBURSEMENT; INCREASED COMPLEMENT.]

Subdivision 1. [TO COMMISSIONER OF NATURAL RESOURCES.] \$235,000 is appropriated to the commissioner of natural resources from the general fund for the purposes of sections 1 to 17 and is available for the fiscal year ending June 30, 1994. The approved complement of the department of natural resources is increased by 2 positions.

Subd. 2. [REIMBURSEMENT.] Amounts spent by the commissioner of natural resources from the appropriation in subdivision 1 must be reimbursed by December 31, 1994 to the general fund. The amount necessary to make the reimbursement is appropriated from the off-highway motorcycle account in the natural resources fund to the commissioner of finance for transfer to the general fund.

Sec. 19. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84."

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

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

S.F. No. 774: A bill for an act relating to natural resources; notifying the department of transportation to comply with the comprehensive plan for the Mississippi headwaters area; authorizing special projects to be approved by the Mississippi headwaters board with costs assessed to benefited counties; appropriating money; amending Minnesota Statutes 1992, section 103F.371; proposing coding for new law in Minnesota Statutes, chapter 103F.

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

Page 2, line 16, delete "\$315,500" and insert "(a) \$224,000"

Page 2, lines 19 and 20, delete "\$157,750" and insert "\$112,000"

Page 2, after line 25, insert:

"(b) *The appropriation to the department of natural resources in 1993 S.F. No. 1570 is reduced by \$112,000 in fiscal year 1994 and \$112,000 in fiscal year 1995.*"

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

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

S.F. No. 1088: A bill for an act relating to recreational vehicles; regulating registration and operation of off-road vehicles; setting fees; providing penalties; requiring a comprehensive recreational use plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 1, 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1992, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS, FEE.] (a) Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by at least one owner.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration permit to each purchaser who applies to the dealer for registration. The temporary registration is valid for 60 days from the date of issue. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe.

(c) Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(d) A fee of 50 cents \$1.50 in addition to ~~that~~ other fees otherwise prescribed by law shall be charged for each snowmobile registered by the

registrar or a deputy registrar *and* the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2.

Sec. 2. Minnesota Statutes 1992, section 84.922, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] (a) Application for registration or continued registration shall be made to the commissioner of natural resources, the commissioner of public safety or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the vehicle and be signed by at least one owner.

(b) Upon receipt of the application and the appropriate fee the commissioner shall register the vehicle and assign a registration number that must be affixed to the vehicle in a manner prescribed by the commissioner. The commissioner shall use the snowmobile registration system to register vehicles under this section.

(c) Each deputy registrar of motor vehicles acting under section 168.33; is also a deputy registrar of *all-terrain* vehicles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(d) A fee of ~~50 cents~~ \$1.50 in addition to other fees prescribed by law shall be charged for each vehicle registered by a deputy registrar, and shall be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official."

Page 1, lines 14 and 25, delete "1 to 9" and insert "3 to 11"

Page 2, line 5, after the first semicolon, insert "a motorcycle;"

Page 3, line 7, after the comma, insert "or designated trail or area,"

Page 3, line 17, delete "the commissioner of public safety,"

Page 5, line 8, delete "1 to 9" and insert "3 to 11"

Page 6, line 15, delete "8" and insert "10"

Page 6, lines 21 and 22, delete "AND UNREFUNDED GASOLINE TAX"

Page 6, delete line 23

Page 6, line 24, delete everything before "must"

Page 6, line 30, delete "1 to 9" and insert "3 to 11"

Page 6, line 31, delete "18" and insert "21"

Page 9, line 18, delete "within" and insert "under"

Page 9, lines 22 and 32, delete "1 to 9" and insert "3 to 11"

Page 9, line 23, delete "4" and insert "6"

Page 10, line 5, delete "1 to 9" and insert "3 to 11"

Page 10, line 6, delete "4" and insert "6"

Page 10, line 17, delete "1" and insert "3"

Page 10, line 34, delete "7" and insert "9"

Page 12, after line 1, insert:

"Sec. 16. Minnesota Statutes 1992, section 86B.415, subdivision 8, is amended to read:

Subd. 8. [REGISTRAR'S FEE.] (a) In addition to the license fee, a fee of 50 cents \$1.50 shall be charged for a watercraft license issued through the registrar or a deputy registrar of motor vehicles-

(b) and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2."

Page 12, line 18, delete "1" and insert "3"

Page 13, line 21, delete "1" and insert "3"

Page 13, line 30, delete "January 1, 1995" and insert "March 1, 1994"

Page 13, line 36, delete "2" and insert "4"

Page 14, line 33, delete "\$....." and insert "\$300,000"

Page 14, line 35, delete "1 to 18" and insert "3 to 21"

Page 15, line 2, delete "... positions" and insert "1 position"

Page 15, line 5, before "to" insert "by June 30, 1995,"

Page 15, after line 8, insert:

"Sec. 23. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "sections" insert "84.82, subdivision 2; 84.922, subdivision 2;"

Page 1, line 8, after the first semicolon, insert "86B.415, subdivision 8;"

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

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

S.F. No. 812: A bill for an act relating to the environment; increasing and extending the motor vehicle transfer fee; establishing a grant program for the purpose of examining management alternatives for motor vehicle shredder residue; requiring the pollution control agency to address management of shredder residue; appropriating money; amending Minnesota Statutes 1992, sections 115A.90, by adding a subdivision; and 115A.908; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Delete everything after the enacting clause and insert:

“Section 1, Minnesota Statutes 1992, section 115A.90, is amended by adding a subdivision to read:

Subd. 2a. [SHREDDER RESIDUE.] “Shredder residue” means the residue generated by shredding a motor vehicle, an appliance, or other source of recyclable steel after removing the reusable and recyclable materials.

Sec. 2, Minnesota Statutes 1992, section 115A.908, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF REVENUE.] Revenue collected shall be credited to the motor vehicle transfer account in the environmental fund.

Sec. 3, Minnesota Statutes 1992, section 115A.908, subdivision 3, is amended to read:

Subd. 3. [REPEALER.] This section is repealed on December 31, 1994 1996.

Sec. 4. [115A.909] [SHREDDER RESIDUE; MANAGEMENT.]

The commissioner, in consultation with persons who are engaged in the business of shredding motor vehicles, appliances, and other sources of recyclable steel, shall study management of shredder residue. To the extent possible under state and federal law, the commissioner shall encourage reduction in the amount of residue generated, allow beneficial use of the residue, and minimize costs of management and disposal. The commissioner shall study all reasonably ascertainable alternatives for management of the residue, including use as cover material at solid waste disposal facilities, use in manufacture of refuse derived fuel, and any other resource recovery management technique.

Sec. 5. [SHREDDER RESIDUE; GRANTS.]

The commissioner of the pollution control agency may make a grant to a person engaged in the business of shredding and recycling motor vehicles, appliances, and other sources of recyclable steel for the purposes of studying the feasibility of alternative methods of managing shredder residue left over after the reusable and recyclable materials are removed. A person applying for a grant shall include in the application a list of the activities the person will undertake and reasonable estimates of the costs of those activities. The commissioner shall determine the amount of the grant, not to exceed \$300,000 or 50 percent of the total cost of the studies proposed in the grant application, whichever is less.

A person receiving a grant under this section may use the proceeds of the grant for the costs of:

(1) determining and testing methods of reducing the amount of shredder residue and the amount of hazardous constituents in the residue;

(2) periodic testing of shredder residue for hazardous constituents over a limited time period to be determined by the commissioner, but not less than six months;

(3) research and development of potential beneficial uses of the residue, including any preprocessing methods that may be applied to the residue to enable it to be beneficially used; and

(4) any necessary testing of alternative management technologies to determine the environmental and economic effects of the technologies.

Sec. 6. [APPROPRIATION.]

\$150,000 is appropriated in each of fiscal years 1994 and 1995 to the commissioner of the pollution control agency from the motor vehicle transfer account in the environmental fund for the purpose of making grants for development of management alternatives for shredder residue under section 4. The unencumbered balance remaining in the first year does not cancel but is available for the second year and any amount of this appropriation not used to make grants under section 4 reverts to the motor vehicle transfer account on June 30, 1995.

\$100,000 is appropriated to the commissioner of the pollution control agency from the motor vehicle transfer account in the environmental fund for the purpose of studying management of shredder residue from motor vehicles, appliances, and other sources of recyclable steel and administering the grants authorized under section 4."

Delete the title and insert:

"A bill for an act relating to the environment; increasing and extending the motor vehicle transfer fee; establishing a grant program for the purpose of examining management alternatives for shredder residue from steel recycling processes; requiring the pollution control agency to address management of shredder residue; appropriating money; amending Minnesota Statutes 1992, sections 115A.90, by adding a subdivision; and 115A.908, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 115A."

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

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

S.F. No. 1476: A bill for an act relating to game and fish; authorizing expenditure of RIM funds for restoration of fish and wildlife habitat; amending Minnesota Statutes 1992, section 84.95, subdivision 2.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 880: A bill for an act relating to the environment; changing methods for assessing and collecting hazardous waste administration fees; providing for rulemaking; amending Minnesota Statutes 1992, section 116.12.

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

Page 2, line 11, delete "To" and insert "In adopting the fee rules, the agency shall consider:

(1) *reducing the fees for generators using environmentally beneficial hazardous waste management methods, including recycling;*

(2) *the agency resources allocated to regulating the various sizes or types of generators;*

(3) *adjusting fees for sizes or types of generators that would bear a disproportionate share of the fees to be collected; and*

(4) *whether implementing clauses (1) to (3) would require excessive staff time compared to staff time available for providing technical assistance to generators or would make the fee system difficult for generators to understand”*

Page 2, delete lines 12 and 13

Page 2, line 14, delete “*hazardous wastes*”

Page 3, delete line 8 and insert:

“(d) The agency may not impose a *volume-based* fee under this subdivision”

Page 3, lines 9 to 12, reinstate the stricken language

Page 3, line 13, reinstate the stricken language and after the reinstated period, insert “*The agency may impose a flat annual fee on a facility that generates the type of material described in the preceding sentence, provided that the fee reflects the reasonable and necessary costs of inspections of the facility.*”

Page 3, after line 25, insert:

“Sec. 2. Minnesota Statutes 1992, section 473.811, subdivision 5b, is amended to read:

Subd. 5b. [ORDINANCES; HAZARDOUS WASTE MANAGEMENT.]
 (a) Each metropolitan county shall by ordinance establish and revise rules, regulations, and standards relating to (1) the identification of hazardous waste, (2) the labeling and classification of hazardous waste, (3) the collection, storage, transportation, processing, and disposal of hazardous waste, and (4) other matters necessary for the public health, welfare and safety. The county shall require permits or licenses for the generation, collection, processing, and disposal of hazardous waste and shall require registration with a county office. County hazardous waste ordinances ~~shall embody and may not be consistent~~ *inconsistent with, and must be at least as stringent as, the agency hazardous waste rules.* Counties shall submit adopted ordinances to the agency for review. *Counties may adopt ordinances for the issuance of permits or licenses for generators, collectors, or processors of hazardous waste that are more stringent than agency rules if the ordinances do not present an obstacle or impediment to implementation of the agency rules.* In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, suspending, modifying, imposing conditions upon, or revoking hazardous waste permits or licenses, and county hazardous waste regulations and ordinances, shall be subject to review, denial, suspension, modification, and reversal by the agency. The agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review,

suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court in the manner provided in chapter 14.

(b) A metropolitan county may not impose a *volume-based* fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility. *A metropolitan county may impose a flat annual fee on a facility that generates the type of material described in the preceding sentence, provided that the fee reflects the reasonable and necessary costs of inspections of the facility. A county imposing a fee under this paragraph must comply with section 373.41.*"

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections" and after "116.12" insert "; and 473.811, subdivision 5b"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 271: A bill for an act relating to waste management; encouraging local government units to use purchasing techniques to reduce waste and develop markets for recycled products; prohibiting burning and burial of harmful materials on farms; defining packaging; prohibiting disposal of unprocessed mixed municipal solid waste; authorizing counties to count waste reduction toward 1996 recycling goals; requiring local government units to separately account for all revenue and spending related to waste management; requiring collectors of commercial waste to disclose where the waste is deposited; prohibiting fluorescent and high intensity discharge lamps in solid waste; clarifying that organized waste collection is one of several tools for cities and counties to use to collect waste; requiring labeling of hazardous household products; requiring reporting of tipping fee schedules at all waste facilities; requiring owners or operators of waste facilities that are publicly financed to account for charges and expenditures related to the facilities; requiring electric utilities to encourage use of fluorescent and high intensity discharge lamps and to collect spent lamps; extending by one year the solid waste field citation pilot program; clarifying the effects of the repeal of the metropolitan landfill siting process; amending Minnesota Statutes 1992, sections 16B.122, by adding a subdivision; 17.135; 115.071, subdivision 1; 115A.03, by adding a subdivision; 115A.034; 115A.5501, subdivision 3; 115A.551, subdivision 2a; 115A.552, subdivision 2; 115A.56; 115A.916; 115A.929; 115A.932, subdivision 1; 115A.94, subdivisions 5 and 6; 115A.941; 115A.9651; 115A.981; 116.78, by adding a subdivision; 116.92, subdivision 7; 216B.241, by adding a subdivision; 325E.12; 325E.125, subdivision 1; 325E.1251; 325E.32; 400.08, subdivision 3; Laws 1991, chapter 347, article 1, sections 15, subdivisions 1 and 6; and 20; Laws 1992, chapter 593, article 1, section 55; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 16B.121, is amended to read:

16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program *and the extent to which the commodity or product contains postconsumer material.*

Sec. 2. Minnesota Statutes 1992, section 16B.122, is amended to read:

16B.122 [PURCHASE AND USE OF PAPER STOCK; PRINTING.]

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

(a) “Copier paper” means paper purchased for use in copying machines.

(b) “Office paper” means notepads, loose-leaf fillers, tablets, and other paper commonly used in offices.

(c) “Postconsumer material” means a finished material that would normally be discarded as a solid waste, having completed its life cycle as a consumer item.

(d) “Practicable” means capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time.

(e) “Printing paper” means paper designed for printing, other than newsprint, such as offset and publication paper.

(f) “Public entity” means the state, an office, agency, or institution of the state, the metropolitan council, a metropolitan agency, the metropolitan mosquito control district, the legislature, the courts, a county, a statutory or home rule charter city, a town, a school district, another special taxing district, or any contractor acting pursuant to a contract with a public entity.

(g) “Soy-based ink” means printing ink made from soy oil.

~~(g)~~ (h) "Uncoated" means not coated with plastic, clay, or other material used to create a glossy finish.

Subd. 2. [PURCHASES; PRINTING.] (a) Whenever practicable, a public entity shall:

- (1) purchase uncoated office paper and printing paper;
- (2) purchase recycled content paper with at least ten percent postconsumer material by weight;
- (3) purchase paper which has not been dyed with colors, excluding pastel colors;
- (4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;
- (5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;
- (6) use reusable binding materials or staples and bind documents by methods that do not use glue;
- (7) use soy-based inks; and
- (8) produce reports, publications, and periodicals that are readily recyclable within the state resource recovery program.

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent postconsumer material.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

(d) Notwithstanding paragraph (a), clause (2), and section 16B.121, copier paper purchased by a state agency must contain at least ten percent postconsumer material by weight.

Subd. 3. [PUBLIC ENTITY PURCHASING.] *(a) Notwithstanding section 365.37, 375.21, 412.331, or 473.705, a public entity may purchase recycled materials when the price of the recycled materials does not exceed the price of nonrecycled materials by more than ten percent. In order to maximize the quantity and quality of recycled materials purchased, a public entity also may use other appropriate procedures to acquire recycled materials at the most economical cost to the public entity.*

(b) When purchasing commodities and services, a public entity shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. A public entity, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the applicable local or regional recycling program and the extent to which the commodity or product contains postconsumer material.

Sec. 3. Minnesota Statutes 1992, section 16B.24, is amended by adding a subdivision to read:

Subd. 11. [RECYCLING OF FLUORESCENT LAMPS.] When a fluorescent lamp containing mercury is removed from service in a building or

premises owned by the state or rented by the state, the commissioner shall ensure that the lamp is recycled if a recycling facility is available in this state.

Sec. 4. Minnesota Statutes 1992, section 17.135, is amended to read:

17.135 [FARM DISPOSAL OF SOLID WASTE.]

(a) A permit is not required from a state agency, except under sections 88.16, 88.17, and 88.22 for a person who owns or operates land used for farming that buries, or burns and buries, solid waste generated from the person's household or as part of the person's farming operation if the burying is done in a nuisance free, pollution free, and aesthetic manner on the land used for farming. This exception does not apply if regularly scheduled pickup of solid waste is reasonably available at the person's farm, as determined by resolution of the county board of the county where the person's farm is located.

(b) *This exemption does not apply to burning or burial of the following materials:*

(1) *household hazardous waste as defined in section 115A.96, subdivision 1;*

(2) *appliances, including but not limited to, major appliances as defined in section 115A.03, subdivision 17a;*

(3) *household batteries; and*

(4) *lead acid batteries from motor vehicles.*

Sec. 5. Minnesota Statutes 1992, section 115.071, subdivision 1, is amended to read:

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of sections 103F.701 to 103F.761, chapters 115, 115A, and 116, and sections 325E.10 to 325E.1251 and 325E.32 and all rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the agency thereunder or under any other law now in force or hereafter enacted for the prevention, control, or abatement of pollution may be enforced by any one or any combination of the following: criminal prosecution; action to recover civil penalties; injunction; action to compel performance; or other appropriate action, in accordance with the provisions of said chapters and this section.

Sec. 6. Minnesota Statutes 1992, section 115A.03, is amended by adding a subdivision to read:

Subd. 22b. [PACKAGING.] "Packaging" means a container and any appurtenant material that provide a means of transporting, marketing, protecting, or handling a product. "Packaging" includes pallets and packing such as blocking, bracing, cushioning, weatherproofing, strapping, coatings, closures, inks, dyes, pigments, and labels.

Sec. 7. Minnesota Statutes 1992, section 115A.03, is amended by adding a subdivision to read:

Subd. 25c. [RECYCLING FACILITY.] "Recycling facility" means a facility at which materials are prepared for reuse in their original form or for use in manufacturing processes that do not cause the destruction of the materials in a manner that precludes further use.

Sec. 8. Minnesota Statutes 1992, section 115A.034, is amended to read:
115A.034 [ENFORCEMENT.]

This chapter may be enforced under ~~section~~ *sections 115.071 and 116.072.*

Sec. 9. [115A.415] [SUBSTANDARD DISPOSAL FACILITIES.]

Beginning January 1, 1995:

(1) a person may not deliver unprocessed mixed municipal solid waste to a substandard disposal facility; and

(2) an operator of a substandard disposal facility may not accept unprocessed mixed municipal solid waste for deposit in the disposal facility.

For the purpose of this section, "substandard disposal facility" means a disposal facility that does not meet the design, construction, and operation requirements for a new mixed municipal solid waste facility contained in state rules in effect as of January 1, 1993.

For the purpose of this section, waste is "unprocessed" if it has not, after collection and before disposal, undergone at least one process, as defined in section 115A.03, subdivision 25, excluding storage, exchange, and transfer of the waste.

Sec. 10. Minnesota Statutes 1992, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS:] (a) The ~~office~~ *director* shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 25 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less.

(c) A recycling project or a project to compost or cocompost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 50 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less.

(d) Notwithstanding paragraph (e), the ~~agency~~ *director* may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the ~~agency~~ *director*, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within ~~five~~ *eight* years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) Projects without resource recovery are not eligible for assistance.

(f) In addition to any assistance received under paragraph (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(g) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(h) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The ~~office~~ director shall adopt rules for the program by July 1, 1985.

Sec. 11. Minnesota Statutes 1992, section 115A.5501, subdivision 3, is amended to read:

Subd. 3. [FACILITY COOPERATION AND REPORTS.] The owner or operator of a solid waste composting, incineration, refuse derived fuel or disposal facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.

Beginning in 1993, by February 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, ~~information~~ specifying the total amount of solid waste received by the facility between January 1 and December 31 of the previous year. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by April 1 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of \$500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Sec. 12. Minnesota Statutes 1992, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. [SUPPLEMENTARY RECYCLING GOALS.] By December 31, 1996, each county will have as a goal to recycle the following amounts:

(1) for a county outside of the metropolitan area, 30 percent by weight of total solid waste generation;

(2) for a metropolitan county, 45 percent by weight of total solid waste generation.

Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling

goal. For the purposes of this subdivision "recycle" and "total solid waste generation" have the meanings given them in subdivision 1, except that neither includes yard waste.

For a county that, by January 1, 1995, is implementing a solid waste reduction program that is approved by the director, the director shall apply three percentage points toward achievement of the recycling goals in this subdivision. In addition, the director shall apply demonstrated waste reduction that exceeds three percent reduction toward achievement of the goals in this subdivision.

Sec. 13. Minnesota Statutes 1992, section 115A.552, subdivision 2, is amended to read:

Subd. 2. [RECYCLING OPPORTUNITIES.] An opportunity to recycle must include:

(1) a local recycling center in the county and sites for collecting recyclable materials that are located in areas convenient for persons to use them;

(2) curbside pickup, centralized drop-off, or a local recycling center for at least four broad types of recyclable materials in cities with a population of 5,000 or more persons; and

(3) monthly pickup of at least four broad types of recyclable materials in cities of the first and second class and cities with 5,000 or more population in the metropolitan area.

For the purposes of this subdivision, glossy paper, magazines, and catalogs constitute a single broad type of recyclable material.

Sec. 14. Minnesota Statutes 1992, section 115A.56, is amended to read:

115A.56 [RECYCLED CONTENT; LABELS.]

(a) A person may not label or otherwise indicate on a product or package for sale or distribution that the product or package contains recycled material unless the label or other indication states the minimum percentage of postconsumer material in the product or package:

(1) by weight for a finished nonpaper product or package; and

(2) by fiber content for a finished paper product or package.

For the purposes of this section "product" includes advertising materials and campaign material as defined in section 211B.01, subdivision 2.

(b) Paragraph (a) does not apply to products that qualify for and use the recycling emblem established by the state of New York that was in effect on December 14, 1990.

Sec. 15. Minnesota Statutes 1992, section 115A.916, is amended to read:

115A.916 [USED OIL; LAND DISPOSAL PROHIBITED PROHIBITIONS.]

A person may not place used oil:

(1) in mixed municipal solid waste or place used oil;

(2) in or on the land, unless approved by the agency; or

(3) in or on the waters of the state or in a wastewater collection or treatment system. This section may be enforced by the agency pursuant to sections ~~115.071 and 116.072.~~

Sec. 16. Minnesota Statutes 1992, section 115A.929, is amended to read:

115A.929 [FEES; ACCOUNTING.]

Each local government unit ~~that collects a fee under section 115A.919, 115A.921, or 115A.923~~ shall account for all revenue collected from the ~~fee waste management fees,~~ together with interest earned on the revenue from the ~~fee fees,~~ separately from other revenue collected by the local government unit and shall report revenue collected from the ~~fee fees~~ and use of the revenue separately from other revenue and use of revenue in any required financial report or audit. *For the purposes of this section, "waste management fees" means:*

(1) *all fees, charges, and surcharges collected under sections 115A.919, 115A.921, and 115A.923;*

(2) *all tipping fees collected at waste management facilities owned or operated by the local government unit;*

(3) *all charges imposed by the local government unit for waste collection and management services; and*

(4) *any other fees, charges, or surcharges imposed on waste or for the purpose of waste management, whether collected directly from generators or indirectly through property taxes or as part of utility or other charges for services provided by the local government unit.*

Sec. 17. Minnesota Statutes 1992, section 115A.9301, subdivision 2, is amended to read:

Subd. 2. [VOLUME REQUIREMENT.] (a) If a local government unit implements a pricing system based on volume instead of weight under subdivision 1, it shall determine a base unit size for an average small quantity household generator and establish a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.

(b) *Upon application by the owner of a multiunit dwelling, the local government unit shall allocate a single base unit to not more than three dwelling units. The number of base units allocated to a multiunit dwelling must be sufficient to contain the amount of waste generated by the dwelling's occupants.*

Sec. 18. [115A.9302] [WASTE DEPOSIT DISCLOSURE.]

Subdivision 1. [DISCLOSURE REQUIRED.] *By January 1, 1994, and at least annually thereafter, a person that collects construction debris, industrial waste, or mixed municipal solid waste for transportation to a waste facility shall disclose to each nonresidential waste generator from whom waste is collected the name and location of, and the number of the permit issued by the agency, or its counterpart in another state, if applicable, for the processing or disposal facility or facilities, excluding a transfer station, at which the waste will be deposited. The collector shall note both the primary facility at which the collector most often deposits waste and any alternative facilities regularly used by the collector.*

Subd. 2. [FORM OF DISCLOSURE.] A collector shall make the disclosure to the waste generator in writing at least once per year or on any written contract for collection services for that year. If an additional facility becomes either a primary facility or an alternative facility during the year, the collector shall make the disclosure set forth in subdivision 1 within 30 days. A local government unit that collects solid waste without direct charges to waste generators shall make the disclosure on any statement that includes an amount for waste management, provided that, at a minimum, disclosure to waste generators must be made at least twice annually in a form likely to be available to all generators.

Subd. 3. [TRANSFER STATIONS.] If the collector deposits waste at a transfer station, the collector need not disclose the name and location of the transfer station but must disclose the destination of the waste when it leaves the transfer station.

Sec. 19. Minnesota Statutes 1992, section 115A.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITIONS.] (a) A person may not place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

- (1) in solid waste; or
- (2) in a wastewater disposal system.

(b) A person may not knowingly place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

- (1) in a solid waste processing facility; or
- (2) in a solid waste disposal facility, as defined in section 115.01, subdivision 4.

(c) A person may not knowingly place a fluorescent or high intensity discharge lamp:

- (1) in solid waste; or*
- (2) in a solid waste facility, except a household hazardous waste collection or recycling facility.*

This paragraph does not apply to waste lamps generated by households until August 1, 1994.

Sec. 20. Minnesota Statutes 1992, section 115A.94, subdivision 5, is amended to read:

Subd. 5. [COUNTY ORGANIZED COLLECTION.] (a) A county may by ordinance require cities and towns within the county to organize collection. Organized collection ordinances of counties may:

- (1) require cities and towns to require the separation and separate collection of recyclable materials;
- (2) specify the material to be separated; and

(3) require cities and towns to meet any performance standards for source separation that are contained in the county solid waste plan.

(b) A county may itself organize collection *under subdivision 4* in any city or town that does not comply with a county organized collection ordinance adopted under this subdivision, and the county may implement, as part of its organized collection, the source separation program and performance standards required by its organized collection ordinance.

Sec. 21. Minnesota Statutes 1992, section 115A.94, subdivision 6, is amended to read:

Subd. 6. [ORGANIZED COLLECTION NOT REQUIRED OR PREVENTED.] (a) *The authority granted in this section to organize solid waste collection is optional and is in addition to authority to govern solid waste collection granted by other law.*

(b) Except as provided in subdivision 5, a city, town, or county is not:

(1) required to organize collection; or

(2) prevented from organizing collection of solid waste or recyclable material.

(c) *Except as provided in subdivision 5, a city, town, or county may exercise any authority granted by any other law, including a home rule charter, to govern collection of solid waste.*

Sec. 22. Minnesota Statutes 1992, section 115A.941, is amended to read:

115A.941 [SOLID WASTE; REQUIRED COLLECTION.]

(a) Except as provided in paragraph (b), each city and town with a population of ~~5,000~~ 1,000 or more shall ensure that every residential household and business in the city or town has solid waste collection service. To comply with this section, a city or town may organize collection, provide collection, or require by ordinance that every household and business has a contract for collection services. An ordinance adopted under this section must provide for enforcement.

(b) A city or town with a population of ~~5,000~~ 1,000 or more may exempt a residential household or business in the city or town from the requirement to have solid waste collection service if the household or business ensures that an environmentally sound alternative is used.

(c) To the extent practicable, the costs incurred by a city or town under this section must be incorporated into the collection system or the enforcement mechanisms adopted under this section by the city or town.

Sec. 23. Minnesota Statutes 1992, section 115A.965, subdivision 1, is amended to read:

Subdivision 1. [PACKAGING.] (a) As soon as feasible but not later than August 1, 1993, no manufacturer or distributor may sell or offer for sale or for promotional purposes in this state packaging or a product that is contained in packaging if the packaging itself, or any inks, dyes, pigments, adhesives, stabilizers, or any other additives to the packaging contain any lead, cadmium, mercury, or hexavalent chromium that has been intentionally introduced as an element during manufacture or distribution of the packaging.

Intentional introduction does not include the incidental presence of any of the prohibited elements.

(b) For the purposes of this section:

(1) "distributor" means a person who imports packaging or causes packaging to be imported into the state; and

(2) until August 15, 1995, "packaging" does not include steel strapping containing a total concentration level of lead, cadmium, mercury, and hexavalent chromium, added together, of less than 100 parts per million by weight.

Sec. 24. Minnesota Statutes 1992, section 115A.9651, is amended to read:

115A.9651 [TOXICS IN PRODUCTS; ENFORCEMENT.]

After ~~July~~ November 1, 1994, no person may deliberately introduce lead, cadmium, mercury, or hexavalent chromium into any ink, dye, pigment, paint, or fungicide that is intended for use or for sale in this state.

Until July 1, 1997, this section does not apply to electrodeposition primer coating, porcelain enamel coatings, medical devices, or ink used for computer identification markings.

This section does not apply to art supplies .

This section may be enforced under sections 115.071 and 116.072. The attorney general or the commissioner of the agency shall coordinate enforcement of this section with the director of the office.

Sec. 25. Minnesota Statutes 1992, section 115A.981, is amended to read:

115A.981 [SOLID WASTE MANAGEMENT; ECONOMIC STATUS AND OUTLOOK.]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivision 2.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility shall submit an annual report to the commissioner that includes:

(1) a certification that the owner or operator has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule and specification of the financial assurance mechanism used, including the amount paid in or assured during the past year and the total amount of financial assurance accumulated to date; and

(2) a schedule of fees charged by at the facility for waste management, including all tipping fees, rates, charges, surcharges, and any other fees charged to each classification of customer.

(b) The owner or operator of a solid waste facility, other than a private recycling facility, that is not a disposal facility and that is not governed by paragraph (c) shall submit an annual report to the commissioner that includes a schedule of fees charged at the facility for waste management, including all tipping fees, rates, charges, surcharges, and any other fees charged to each classification of customers.

(c) *The owner or operator of a solid waste facility whose construction or operation was or is wholly or partially publicly financed, except when the public financing consists entirely of a grant for less than 15 percent of the cost of construction or consists solely of the sale of revenue bonds, and a local government unit that is the owner or operator of a solid waste facility shall submit an annual report to the commissioner that includes:*

(1) a schedule of fees charged at the facility for waste management, including all tipping fees, rates, charges, surcharges, and any other fees charged to each classification of customers;

(2) a description of the amounts and sources of capital financing for the facility, including current debt and principal and interest payments made on the debt to date;

(3) an accounting of the costs of administration and operation of the facility;

(4) identification of the source and amount of any additional financing for the administration or operation of the facility not included in the fees reported under clause (1); and

(5) identification of the purposes of expenditure of any fees reported under clause (1) that are not expended for servicing or repaying debt on the facility or for administration and operation of the facility.

(d) The agency may suspend the operation of a ~~disposal~~ facility whose permittee fails to file the information required under this subdivision. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the commissioner.

Subd. 3. [REPORT.] (a) The commissioner shall report to the legislative commission on waste management by July 1 of each odd-numbered year on the economic status and outlook of the state's solid waste management sector including:

(1) an estimate of the extent to which prices for solid waste management paid by consumers reflect costs related to environmental and public health protection, including a discussion of how prices are publicly and privately subsidized and how identified costs of waste management are not reflected in the prices;

(2) a discussion of how the market structure for solid waste management influences prices, considering:

(i) changes in the solid waste management market structure;

(ii) the relationship between public and private involvement in the market; and

(iii) the effect on market structures of waste management laws and rules; and

(3) any recommendations for strengthening or improving the market structure for solid waste management to ensure protection of human health and the environment, taking into account the preferred waste management practices listed in section 415A.02 and considering the experiences of other states.

(b) In preparing the report, the commissioner shall:

(1) consult with the director; the metropolitan council; local government units; solid waste collectors, transporters, and processors; owners and operators of solid waste disposal facilities; and other interested persons;

(2) consider information received under subdivision 2; and

(3) analyze information gathered and comments received relating to the most recent solid waste management policy report prepared under section 115A.411.

The commissioner shall also recommend any legislation necessary to ensure adequate and reliable information needed for preparation of the report.

(c) ~~If an action recommended by the commissioner under paragraph (a) would significantly affect the solid waste management market structure, the commissioner shall, in consultation with the entities listed in paragraph (b), clause (1), prepare and include in the report an analysis of the potential impacts and effectiveness of the action, including impacts on:~~

~~(1) the public and private waste management sectors;~~

~~(2) future innovation and responsiveness to new approaches to solid waste management; and~~

~~(3) the costs of waste management.~~

(d) The report must also include:

(1) statewide and facility by facility estimates of the total potential costs and liabilities associated with solid waste disposal facilities for closure and postclosure care, response costs under chapter 115B, and any other potential costs, liabilities, or financial responsibilities;

(2) statewide and facility by facility requirements for proof of financial responsibility under section 116.07, subdivision 4h, and how each facility is meeting those requirements.

Sec. 26. Minnesota Statutes 1992, section 115B.04, is amended by adding a subdivision to read:

Subd. 5a. [LIABILITY AFTER RECYCLING.] When a fluorescent or high intensity discharge lamp has been recycled at a licensed or permitted lamp recycling facility, as defined in section 31, the original generator is not liable under this section for a release occurring after the recycling process is completed, whether from the reusable recycling products or from nonrecovered residues on recycling residuals.

Sec. 27. Minnesota Statutes 1992, section 115B.05, is amended by adding a subdivision to read:

Subd. 5a. [LIABILITY AFTER RECYCLING.] When a fluorescent or high intensity discharge lamp has been recycled at a licensed or permitted lamp recycling facility, as defined in section 31, the original generator is not liable under this section for a release occurring after the recycling process is completed, whether from the reusable recycling products or from nonrecovered residues on recycling residuals.

Sec. 28. Minnesota Statutes 1992, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules and the requirements of paragraph ~~(b)~~ (c) is a condition of obtaining or retaining a permit to operate the facility.

(b) *Proof of an owner or operator's financial responsibility as required by this subdivision may be demonstrated by obtaining insurance. The policy of insurance must conform in all respects to rules adopted under paragraph (a), to the extent applicable, and any additional rules adopted by the agency. The agency shall adopt rules to implement this paragraph by July 1, 1994.*

(c) A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, may meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility by pledging its full faith and credit to meet its responsibility.

The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements:

(1) The governing body of the municipality shall enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs.

(2) The municipality shall require that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means.

(3) When a municipality opts to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside in a dedicated long-term care trust fund money that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action. The agency may not require a municipality to set aside more than five percent of the total cost in a single year.

(4) A municipality shall have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account created in section 115B.20, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph ~~(b)~~ (c).

~~(e)~~ (d) The method for proving financial responsibility under paragraph ~~(b)~~ (c) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

Sec. 29. Minnesota Statutes 1992, section 116.78, is amended by adding a subdivision to read:

Subd. 3a. [WASTE CONTAINERS.] Noninfectious mixed municipal solid waste generated by a facility must be placed for containment, collection, and processing or disposal in containers that are sufficiently transparent that the contents of the containers may be viewed from the exterior of the containers. The operator of a mixed municipal solid waste facility may not refuse to accept mixed municipal solid waste generated by a facility that complies with this subdivision, unless the operator observes that the waste contains sharps or other infectious waste.

Sec. 30. Minnesota Statutes 1992, section 116.92, subdivision 7, is amended to read:

Subd. 7. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; LARGE USE APPLICATIONS.] (a) A person who sells fluorescent or high intensity discharge lamps that contain mercury to the owner or manager of an industrial, commercial, office, or multiunit residential building, or to any person who replaces or removes from service outdoor lamps that contain mercury, shall clearly inform the purchaser in writing on the invoice for the lamps, or in a separate writing, that the lamps contain mercury, a hazardous substance that is regulated by federal or state law *and that they may not be placed in solid waste.* This paragraph does not apply to a person who incidentally sells fluorescent or high intensity discharge lamps at retail to the specified purchasers.

(b) A person who contracts with the owner or manager of an industrial, commercial, office, or multiunit residential building, or with a person responsible for outdoor lighting, to remove from service fluorescent or high intensity discharge lamps that contain mercury shall clearly inform, in writing, the person for whom the work is being done that the lamps being removed from service contain mercury and what the contractor's arrangements are for the management of the mercury in the removed lamps.

Sec. 31. [116.93] [LAMP RECYCLING FACILITIES.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "lamp recycling facility" means a hazardous waste facility used to remove, recover, and recycle mercury or other hazardous materials from fluorescent or high intensity discharge lamps.

Subd. 2. [LAMP RECYCLING FACILITY; PERMITS OR LICENSES.] (a) A person may not operate a lamp recycling facility without obtaining a permit or license for the facility from the agency. The permit or license must require:

- (1) a plan for response to releases, including emergency response;*
 - (2) proof of financial responsibility for closure and any necessary postclosure care at the facility which may include a performance bond or other insurance; and*
 - (3) liability insurance or another financial mechanism that provides proof of financial responsibility for response actions required under chapter 115B.*
- (b) A lamp recycling facility that is licensed or permitted by a county under section 473.811, subdivision 5b, complies with this subdivision if the license or permit held by the facility contains at least all the terms and conditions required by the agency for a license or permit issued under this subdivision.*
- (c) A lamp recycling facility with a demonstrated capability for recycling in operation prior to adoption of rules for a licensing or permitting process for the facility by the agency may continue to operate in accordance with compliance agreement or other approval by the commissioner until a license or permit is issued by the agency under this subdivision.*

Sec. 32. Minnesota Statutes 1992, section 216B.241, is amended by adding a subdivision to read:

Subd. 5. [CONSERVATION IMPROVEMENT PROGRAM; EFFICIENT LIGHTING.] (a) The commissioner of public service may require a public utility, cooperative electric association, or municipal utility that provides electric service to retail customers to include as part of its conservation improvement activities a pilot program to encourage the use of fluorescent and high intensity discharge lamps. The program may include a public information campaign to encourage use of the lamps and proper management of spent lamps by all customer classifications.

(b) A public utility and a cooperative electric association that is regulated like a public utility under this chapter shall establish, either directly or through contracts with other persons, including local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high intensity discharge lamps from households and from small businesses as defined in section 645.445 that generate an average of fewer than ten spent lamps per year.

(c) A cooperative electric association or a municipal utility that provides electric service at retail to customers may establish a collection system as part of conservation improvement activities required under this section.

(d) The commissioner of the pollution control agency may not, unless clearly required by federal law, require a public utility, cooperative electric association, or municipality that establishes a household fluorescent and high intensity discharge lamp collection system under this section to manage the lamps as hazardous waste as long as the lamps are managed to avoid

breakage and are delivered to a recycling or reclamation facility that removes mercury and other toxic materials contained in the lamps prior to placement of the lamps in solid waste.

(e) All costs incurred by a public utility, cooperative electric association, or municipal utility for promotion and collection of fluorescent and high intensity discharge lamps under this subdivision are conservation improvement spending under this section.

(f) The commissioner of public service shall submit a report to the legislature by January 1, 1995, summarizing the results of pilot programs under this subdivision.

Sec. 33. Minnesota Statutes 1992, section 325E.12, is amended to read:

325E.12 [PENALTY.]

~~Any person violating~~ *Violation of sections 325E.10 to ~~325E.12~~ shall be guilty of 325E.1151 is a petty misdemeanor. Sections 325E.10 to 325E.1151 may be enforced under section 115.071.*

Sec. 34. Minnesota Statutes 1992, section 325E.125, subdivision 1, is amended to read:

Subdivision 1. [LABELING.] (a) The manufacturer of a button cell battery that is to be sold in this state shall ensure that each battery *contains no intentionally introduced mercury or is labeled to clearly identify for the final consumer of the battery the type of electrode used in the battery.*

(b) The manufacturer of a rechargeable battery that is to be sold in this state shall ensure that each rechargeable battery is labeled to clearly identify for the final consumer of the battery the type of electrode and the name of the manufacturer. The manufacturer of a rechargeable battery shall also provide clear instructions for properly recharging the battery.

Sec. 35. Minnesota Statutes 1992, section 325E.1251, is amended to read:

325E.1251 [PENALTY ENFORCEMENT.]

Subdivision 1. [PENALTY.] ~~Violation of sections 115A.9155 and section 325E.125 is a misdemeanor. A manufacturer who violates section 115A.9155 or 325E.125 is also subject to a minimum fine of \$100 per violation.~~

Subd. 2. [RECOVERY OF COSTS.] *Section 325E.125 may be enforced under section 115.071. In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.*

Sec. 36. Minnesota Statutes 1992, section 400.04, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION, CONSTRUCTION, AND OPERATION OF PROPERTY AND FACILITIES.] A county may acquire, construct, enlarge, improve, repair, supervise, control, maintain, and operate any and all solid waste facilities and other property and facilities needed, used, or useful for solid waste management purposes. Notwithstanding any other law to the contrary, a county may ~~contract for recycling services, and~~ purchase and lease materials, equipment, machinery, and such other personal property as is necessary for such purposes *including recycling upon terms and conditions*

determined by the board, with or without advertisement for bids including the use of conditional sales contracts and lease-purchase agreements. If a county contract is let by negotiation, without advertising for bids, the county shall conduct such negotiation and award the contract using a fair and open procedure and in full compliance with section 471.705. If a county contract is to be awarded by bid, the county may, after notice to the public and prospective bidders, conduct a fair and open process of prequalification of bidders prior to advertisement for bids. A county may employ such personnel as are reasonably necessary for the care, maintenance and operation of such property and facilities. A county shall contract with private persons for the construction, maintenance, and operation of solid waste facilities where the facilities are adequate and available for use and competitive with other means of providing the same service.

Sec. 37. Minnesota Statutes 1992, section 400.04, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT AND SERVICE CONTRACTS.] *Notwithstanding sections 375.21 and 471.345, a county may enter into contracts for the construction, installation, maintenance and operation of property and facilities on private or public lands and may contract for the furnishing of solid waste management services upon terms and conditions determined by the board, with or without advertisement for bids, including the use of conditional sales contracts. If a county contract is let by negotiation, without advertising for bids, the county shall conduct negotiations and award the contract using a fair and open procedure and in full compliance with section 471.705.*

Sec. 38. Minnesota Statutes 1992, section 400.08, subdivision 3, is amended to read:

Subd. 3. [SERVICE CHARGES.] The county may establish by ordinance, revise when deemed advisable, and collect just and reasonable rates and charges for solid waste management services provided by the county or by others under contract with the county. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay charges for solid waste management services to their properties, *including properties owned, leased, or used by the state or a political subdivision of the state, including the regional transit board established in section 473.373, the metropolitan airports commission established in section 473.603, the state agricultural society established in section 37.01, a local government unit, and any other political subdivision,* and may obligate the user of any facility to pay a reasonable charge for the use of the facility. Rates and charges may take into account the character, kind, and quality of the service and of the solid waste, the method of disposition, the number of people served at each place of collection, and all other factors that enter into the cost of the service, including but not limited to depreciation and payment of principal and interest on money borrowed by the county for the acquisition or betterment of facilities. A notice of intention to enact an ordinance, published pursuant to section 375.51, subdivision 2, shall provide for a public hearing prior to the meeting at which the ordinance is to be considered.

Sec. 39. Laws 1991, chapter 347, article 1, section 15, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE.] Pollution control agency staff designated by the commissioner and department of natural resources conservation officers may issue citations to a person who disposes of solid waste as

defined in Minnesota Statutes, section 116.06, subdivision 10, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property. *A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose or otherwise manage the waste.*

Sec. 40. Laws 1991, chapter 347, article 1, section 15, subdivision 6, is amended to read:

Subd. 6. [STUDY OF FIELD CITATION PILOT PROGRAM.] The pollution control agency, in consultation with the department of natural resources and the attorney general, shall prepare a study on the effectiveness and limitations of the field citation pilot program. The study must make recommendations about the continued use of field citations. The study must be submitted to the legislative commission on waste management by November 15, 1992, *and must be updated and resubmitted to the commission by November 15, 1993.*

Sec. 41. Laws 1991, chapter 347, article 1, section 20, is amended to read:

Sec. 20. [EFFECTIVE DATE.]

Section 19 is effective July 1, ~~1993~~ 1994.

Sec. 42. Laws 1992, chapter 593, article 1, section 55, is amended to read:

Sec. 55. [EFFECTIVE DATE.]

Except as provided in this section, article 1 is effective August 1, 1992.

Sections 22, 31 to 34, 37 to 40, and 45 are effective the day following final enactment.

Section 43 is effective August 1, 1991.

Sections 12; 17; 24; 27, subdivision 1; 29, subdivision 3; and 36 are effective January 1, 1993, and section 36 applies to sweeping compound manufactured on or after that date.

Section 18 is effective for products and packaging manufactured on or after January 1, 1993.

Section 35, *paragraph (a), is effective July 1, 1993 January 1, 1997, and paragraph (b) is effective July 1, 1993, and applies those paragraphs apply to batteries manufactured on or after that date those dates.*

~~Sections 3 and 29, subdivision 2, are~~ Section 3 is effective August 1, 1993.

Sections 26 and 27, subdivision 2, are effective January 1, 1994.

Section 29, ~~subdivision~~ *subdivisions 2 and 4*, clauses (1) and (2), are effective August 1, 1994.

Sec. 43. [WASTE TIRE REPORT; INCLUSION.]

The waste tire report due to the legislative commission on waste management under Minnesota Statutes, section 115A.913, subdivision 5, by November 15, 1993, must include an evaluation of the adequacy of existing mechanisms and systems for managing waste tires as they are generated. The commissioner of the pollution control agency shall include in the report recommendations for legislation, if needed, to ensure that mechanisms are in

place or are put in place to collect, store, transport, recycle, and otherwise manage waste tires properly.

Sec. 44. [SOLID WASTE MANAGEMENT POLICY REPORT; POST-PONEMENT.]

Under Minnesota Statutes, section 115A.411, a solid waste management policy report is not due to the legislative commission on waste management until July 1, 1996. In the interim, any reports authorized to be included with that report may be submitted as a combined report on or before the dates required for their submission.

Sec. 45. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; COLLECTION STUDY.]

The director of the office of waste management, in consultation with representatives of public utilities, electric cooperative associations, and municipal utilities that provide electric service to retail customers, the commissioners of the pollution control agency and the department of public service, the Minnesota technical assistance program, the director of the legislative commission on waste management, residential, commercial, and industrial electric power consumers, local government units, representatives of manufacturers, retailers, distributors, and wholesalers of fluorescent and high intensity lamps, and other interested persons, shall identify mechanisms that will maximize the use of fluorescent and high intensity discharge lamps and identify barriers to an effective collection system and approaches to reduce and remove those barriers.

By November 1, 1993, the director shall submit a report to the legislative commission on waste management that, at a minimum, recommends:

(1) collection and management systems for spent lamps that are generated within the service areas of cooperative electric associations and municipal utilities that provide electric service to retail customers; and

(2) an implementation plan and schedule that includes provisions for technical assistance for public utilities, electric cooperative associations, and municipal utilities that may establish fluorescent and high intensity discharge lamp promotion programs and collection systems under section 32.

Sec. 46. [METROPOLITAN LANDFILL SITING; EFFECT OF MORATORIUM AND REPEAL.]

(a) The effects of Laws 1991, chapter 337, sections 84 and 90, paragraph (b), that were effective June 5, 1991 and August 1, 1992 respectively, include that:

(1) no development limitation continued under Minnesota Statutes 1982 to 1990, section 473.806, after December 31, 1992, and a claim for compensation for temporary development rights does not exist for any time period after that date;

(2) the metropolitan council may use the proceeds of bonds issued under Minnesota Statutes 1980 to 1990, section 473.831, to compensate property owners for temporary development rights or to purchase property under Minnesota Statutes 1984 to 1990, section 473.840, if the time period for which compensation for temporary development rights is claimed occurred prior to December 31, 1992, or if the request for purchase of the property was received prior to June 5, 1991; and

(3) a metropolitan county that acquired property under Minnesota Statutes 1984 to 1990, section 473.840, shall sell the property, subject to the approval of the metropolitan council.

(b) A county may lease or rent property that must be sold under paragraph (a), subject to approval of the metropolitan council, and may maintain property and casualty insurance on the property until ownership of the property is transferred. The county shall remit to the council any proceeds from leasing, renting, or selling property subject to this paragraph, less the reasonable expenses of the county to maintain the value of the property and to transfer ownership. The council shall use money remitted to it under this paragraph to retire solid waste debt incurred under Minnesota Statutes 1980 to 1990, section 473.831.

Sec. 47. [TOXICS IN PRODUCTS; STUDY.]

The staff of the legislative commission on waste management shall conduct a study to identify barriers to implementation of Minnesota Statutes, section 115A.9651, and shall report to the commission by February 1, 1994, with recommendations, including recommended legislation, for overcoming these barriers.

Sec. 48. [REPEALER.]

Minnesota Statutes 1992, section 325E.40, subdivision 1, is repealed.

Sec. 49. [EFFECTIVE DATE.]

Section 2, subdivisions 1 and 2, are effective July 1, 1996. Section 13 is effective July 1, 1994. Section 19 is effective August 1, 1994. Section 25 is effective the day following final enactment, except subdivision 2 is effective August 1, 1993. Sections 22, 30, and 32 are effective August 1, 1994. Section 34 is effective January 1, 1997. Section 38 is effective May 20, 1971."

Delete the title and insert:

"A bill for an act relating to waste management; encouraging local government units to use purchasing techniques to reduce waste and develop markets for recycled products; prohibiting burning and burial of harmful materials on farms; defining packaging; prohibiting disposal of unprocessed mixed municipal solid waste; authorizing counties to count waste reduction toward 1996 recycling goals; requiring local government units to separately account for all revenue and spending related to waste management; requiring collectors of commercial waste to disclose where the waste is deposited; prohibiting fluorescent and high intensity discharge lamps in solid waste; clarifying that organized waste collection is one of several tools for cities and counties to use to collect waste; requiring labeling of hazardous household products; requiring reporting of tipping fee schedules at all waste facilities; requiring owners or operators of waste facilities that are publicly financed to account for charges and expenditures related to the facilities; requiring electric utilities to encourage use of fluorescent and high intensity discharge lamps and to collect spent lamps; extending by one year the solid waste field citation pilot program; clarifying the effects of the repeal of the metropolitan landfill siting process; amending Minnesota Statutes 1992, sections 16B.121; 16B.122; 16B.24, by adding a subdivision; 17.135; 115.071, subdivision 1; 115A.03, by adding subdivisions; 115A.034; 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.551, subdivision 2a; 115A.552, subdivision 2; 115A.56; 115A.916; 115A.929; 115A.9301, subdivision 2; 115A.932,

subdivision 1; 115A.94, subdivisions 5 and 6; 115A.9301, subdivision 2; 115A.941; 115A.965, subdivision 1; 115A.9651; 115A.981; 115B.04, by adding a subdivision; 115B.05, by adding a subdivision; 116.07, subdivision 4h; 116.78, by adding a subdivision; 116.92, subdivision 7; 216B.241, by adding a subdivision; 325E.12; 325E.125, subdivision 1; 325E.1251; 400.04, subdivisions 3 and 4; and 400.08, subdivision 3; Laws 1991, chapter 347, article 1, sections 15, subdivisions 1 and 6; and 20; Laws 1992, chapter 593, article 1, section 55; proposing coding for new law in Minnesota Statutes, chapters 115A; and 116; repealing Minnesota Statutes 1992, section 325E.40, subdivision 1."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1076, 1210, 834, 708 and 271 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 882 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1503: Messrs. Beckman, Spear, Kelly, Neuville and Ms. Ranum.

H.F. No. 1735: Mr. Johnson, D.J.; Meses. Reichgott, Flynn, Messrs. Hottinger and Belanger.

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

MEMBERS EXCUSED

Mr. Murphy was excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Tuesday, April 27, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FOURTH DAY

St. Paul, Minnesota, Tuesday, April 27, 1993

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Richard J. Wolter.

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

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1407: A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating an instructional telecommunications network; providing for grants from the higher education

coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; authorizing the state board of community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; establishing grant programs to promote recruitment and retention initiatives by nurses training and teacher education programs directed toward persons of color; establishing grant programs for nursing students and students in teacher education programs who are persons of color; establishing an education to employment transitions system; amending Minnesota Statutes 1992, sections 136A.101, subdivisions 1 and 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; 136A.233, subdivisions 2 and 3; 136C.13, subdivision 4; 136C.61, subdivision 7; and 137.022, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; proposing coding for new law as Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 17; and 136A.134.

There has been appointed as such committee on the part of the House:
Rodosovich, Dorn, Pelowski, Kinkel and Morrison.

Senate File No. 1407 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1993

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1503: A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

There has been appointed as such committee on the part of the House:
Murphy, Pugh, Orenstein, Swenson and McGuire.

Senate File No. 1503 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1993

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. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969; subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for

new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

Senate File No. 1496 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1993

Mr. Samuelson moved that the Senate do not concur in the amendments by the House to S.F. No. 1496, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 994.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 26, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 994: A bill for an act relating to children; foster care and adoption placement; specifying time limits for compliance with placement preferences; setting standards for changing out-of-home placement; requiring notice of certain adoptions; clarifying certain language; requiring compliance with certain law; amending Minnesota Statutes 1992, sections 257.071, subdivisions 1 and 1a; 257.072, subdivision 7; 259.255; 259.28, subdivision 2, and by adding a subdivision; 259.455; 260.012; 260.181, subdivision 3; and 260.191, subdivisions 1a, 1d, and 1e; proposing coding for new law in Minnesota Statutes, chapters 257; and 259.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1501, 1066, 908, 771 and 837. The motion prevailed.

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

S.F. No. 1545: A bill for an act relating to the environment; appropriating money from the metropolitan landfill contingency trust fund to the commissioner of the pollution control agency for reimbursement to the city of

Hopkins for remediation of methane at the city landfill; amending Laws 1991, chapter 182, section 7.

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

Page 1, line 15, strike "1993" and insert "1994"

Page 1, lines 17 and 18, delete the new language

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

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

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

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 84.027, is amended by adding a subdivision to read:

Subd. 11. [PROPERTY DISPOSAL; GIFT ACKNOWLEDGMENT; ADVERTISING SALES.] (a) The commissioner may give away to members of the public items with a value of less than \$10 that are intended to promote conservation of natural resources or create awareness of the state and its resources or natural resource management programs.

(b) The commissioner may recognize the contribution of money, products, or in-kind services on plaques, signs, publications, audio-visual materials, and media advertisements by allowing the contributing organization's logo or trademark to be displayed in a size not to exceed the size of the department's logo.

(c) The commissioner may accept paid advertising for departmental publications. Advertising revenues received are appropriated to the commissioner to be used to defray costs of publications, media productions, or other informational materials. The commissioner may not accept paid advertising from any elected official or candidate for elective office."

Delete the title and insert:

"A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge contributions, and sell advertising; appropriating money; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision."

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

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

S.F. No. 1034: A bill for an act relating to minerals; establishing and empowering a legislative task force on minerals; appropriating money.

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

Page 2, delete lines 13 and 14 and insert:

“The appropriation in Laws 1989, chapter 335, article 1, section 2, subdivision 4, paragraph (1), for the legislative task force on minerals is available until June 30, 1995.”

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

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

S.F. No. 1100: A bill for an act relating to pollution control; oil and hazardous substance discharge; allowing for a single corporate prevention and response plan; extending completion date for a response plan; modifying a notification form; establishing fees; establishing accounts in the environmental fund; creating a spill prevention and preparedness advisory council; requiring notification of pipeline petroleum discharges; imposing penalties; appropriating money; amending Minnesota Statutes 1992, section 115E.04, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapter 115E.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 115E.03, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC PREPAREDNESS.] The following persons shall comply with the specific requirements of subdivisions 3 and 4 and section 115E.04:

(1) persons who own or operate a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue;

(2) persons who own or operate trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than ~~400,000~~ 1,000,000 gallons of oil or hazardous substance as cargo in Minnesota;

(3) persons who own or operate railroad car rolling stock transporting an aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota in any calendar month;

(4) persons who own or operate facilities containing ~~400,000~~ 1,000,000 gallons or more of oil or hazardous substance in tank storage at any time;

(5) persons who own or operate facilities where there is transfer of an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substances to or from vessels, tanks, rolling stock, or pipelines, except for facilities where the primary transfer activity is the retail sales of motor fuels;

(6) persons who own or operate hazardous liquid pipeline facilities through which more than 100,000 gallons of oil or hazardous substance is transported in any calendar month; and

(7) persons required to demonstrate preparedness under section 115E.05.

Sec. 2. Minnesota Statutes 1992, section 115E.04, subdivision 1, is amended to read:

Subdivision 1. [PLAN CONTENTS.] Persons required to show specific preparedness under section 115E.03, subdivision 2, shall prepare and maintain a prevention and response plan for a worst case discharge. *Except as provided in subdivisions 2a and 2b*, the plan must:

(1) describe how it is consistent with the requirements of the national or area contingency plans developed under the Oil Pollution Act of 1990;

(2) describe the measures taken to prevent discharges from occurring, including prevention of a worst case discharge, prevention of discharges of lesser magnitude, and prevention of discharges similar to those that have occurred from the vessel or facility during its history of operation;

(3) identify the individual or individuals having full authority to implement response actions, and those individuals' qualifications and titles;

(4) identify how communication and incident command relationships will be established between the individuals in command of a vessel or facility response and the following persons:

(i) individuals in the employ of the owner or operator of the vessel or facility who are responding to the discharge;

(ii) appropriate federal, state, and local officials; and

(iii) other persons providing emergency response equipment and personnel;

(5) describe the facility or vessel and identify the locations and characteristics of potential worst case discharges from the vessel or facility;

(6) identify the means under section 115E.03, subdivision 4, that will be used to satisfy the requirement to have adequate equipment and personnel to respond to a worst case discharge;

(7) contain copies of contracts, correspondence, or other documents showing that adequate personnel and equipment as described in section 115E.03, subdivision 4, will be available to respond to a worst case discharge;

(8) describe the actions that will be taken by the persons described in section 115E.03, subdivision 4, in the event of a worst case discharge; and

(9) describe the training, equipment testing, periodic drills, and unannounced drills that will be used to ensure that the persons and equipment described in section 115E.03, subdivision 4, are ready for response.

A plan submitted to the federal government under the Oil Pollution Act of 1990 or prepared under other law may be used to satisfy the requirements in clauses (1) to (9) provided that the information required by clauses (1) to (9) is included in the plan.

Sec. 3. Minnesota Statutes 1992, section 115E.04, is amended by adding a subdivision to read:

Subd. 2a. [ABBREVIATED PLAN FOR TRUCKS.] A person who owns or operates trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than 10,000 gallons of oil or hazardous substances as cargo in Minnesota shall prepare and maintain an abbreviated prevention and response plan. The abbreviated plan must include:

(1) name and business and after business telephone numbers of the individual or individuals having full authority to implement response action;

(2) telephone number of the local emergency response organization if that organization cannot be reached by calling 911;

(3) a description of the type of rolling stock and the worst case discharge that could occur from such equipment;

(4) telephone number of the state duty officer;

(5) telephone number of an individual or company with adequate personnel and equipment available to respond to a discharge, with evidence that prearrangements for such response have been made;

(6) a description of the training that the owner or operator's truck or cargo trailer operators have received in handling hazardous materials and the emergency response information available in the vehicle;

(7) a description of the action that will be taken by a truck owner or operator in response to a discharge; and

(8) the response plan must be retained on file at the person's principal place of business.

Sec. 4. Minnesota Statutes 1992, section 115E.04, is amended by adding a subdivision to read:

Subd. 2b. [ABBREVIATED PLAN FOR TANK FACILITIES WITH BETWEEN 10,000 AND 1,000,000 GALLONS OF STORAGE.] A person who owns or operates a facility that stores more than 10,000 gallons but less than 1,000,000 gallons of oil or hazardous substances shall prepare and maintain an abbreviated prevention and response plan. The abbreviated plan must include:

(1) name and business and after business telephone numbers of the individual or individuals having full authority to implement response action;

(2) telephone number of the local emergency response organization if that organization cannot be reached by calling 911;

(3) a description of the facility, tank capacities, spill prevention and secondary containment measures at the facility, and the worse case discharge that could occur at the facility;

(4) telephone number of the state duty officer;

(5) documentation that adequate personnel and equipment will be available to respond to a discharge, with evidence that prearrangements for such response have been made;

(6) a description of the training employees at the facility receive in handling hazardous materials and in emergency response information;

(7) a description of the action that will be taken by the facility owner or operator in response to a discharge; and

(8) the response plan must be retained on file at the person's principal place of business.

Sec. 5. [115E.11] [PENALTIES.]

The commissioner shall deposit any penalties for violations of this chapter or section 115.061 which are related to petroleum discharges or threatened discharges into the petroleum tank release cleanup account.

Sec. 6. [115E.13] [PIPELINE AND RAIL FUELING FACILITY FOLLOW-UP.]

Subdivision 1. [PIPELINE DISCHARGE SITE NOTIFICATION.] (a) By January 1, 1994, owners or operators of hazardous liquid pipeline facilities may provide a written report to the pollution control agency of the leaks, ruptures, breaks, repairs, maintenance problems, or other incidents in which petroleum was or may have been discharged prior to the effective date of this act from the pipeline or pipeline pump stations within the state. The agency shall consider the following in determining the acceptability of the report:

(1) the discharge or discharge discovery date;

(2) pipeline milepost and approximate legal description of the incident location;

(3) known circumstances of the discharge or possible discharge;

(4) the approximate volume of the discharge; and

(5) a description of the cleanup undertaken by the owner or operator and by previous owners or operators.

(b) In compiling the report, the owner or operator shall attempt, to the extent reasonably possible, to:

(1) examine reports made to the United States Department of Transportation Office of Pipeline Safety and predecessor offices;

(2) examine files of cleanups undertaken by the owner or operator and the files of predecessor owners or operators which may be in the possession of or available to the owner or operator;

(3) examine the pipeline charts and maintenance records to identify sections of pipeline that have been repaired or replaced since original installation and determine whether each repair or replacement was associated with a discharge; and

(4) interview employees or former employees who have knowledge of the historic operation of the pipeline.

Subd. 2. [RAIL REFUELING FACILITY NOTIFICATION.] (a) By January 1, 1994, owners or operators of railroads that transfer fuel into railroad engines may provide a written report to the pollution control agency of the facilities at which the owner or operator and predecessor owners or operators have refueled railroad engines within the state prior to the effective date of this act. The agency shall consider the following in determining the acceptability of the report:

- (1) the approximate legal description of the facility location;
 - (2) the years in which the facility has operated;
 - (3) the approximate yearly volume of refueling done at the facility;
 - (4) whether an investigation of petroleum contamination has ever been done at the facility;
 - (5) whether soil or track ballast visibly contaminated by fuel is present at the facility;
 - (6) whether fueling at the facility is done from a fixed location or via mobile tanks;
 - (7) whether track pans or other means to contain fueling spills are in place at the facility and the approximate date of installation; and
 - (8) a description of any fuel cleanups undertaken at the facility by the owner or operator and by previous owners or operators.
- (b) In compiling the report the owner or operator shall attempt, to the extent reasonably possible, to:

- (1) examine records of cleanups undertaken by the owner or operator and those records of predecessor owners or operators which may be in the possession of or available to the owner or operator;
- (2) examine the fueling and land ownership records of the owner or operator and those records of predecessor owners or operators which may be in the possession of or available to the owner or operator; and
- (3) interview employees or former employees who have knowledge of the past operation of the railroad.

Subd. 3. [LIMITING PENALTIES WHEN APPROPRIATE ACTION TAKEN.] (a) For discharge sites or facilities listed in reports submitted under subdivision 1, paragraph (a), or subdivision 2, paragraph (a), the agency shall not seek or impose penalties when an owner or operator who has failed to report or recover the discharge under section 115.061, takes appropriate action to report and correct confirmed discharges under this section.

(b) This section does not affect:

- (1) the obligation of the owner or operator under section 115.061 to recover discharged material once it has been discovered; or
- (2) the authority of the agency, commissioner, or attorney general to order or compel investigations or corrective actions or to obtain information regarding discharges or releases.

Sec. 7. [APPROPRIATION AND COMPLEMENT.]

Subdivision 1. \$437,000 is appropriated from the petroleum tank release cleanup account of the environmental fund to the pollution control agency, and \$302,000 is appropriated to the pollution control agency from its 1994-1995 biennial base level enforcement account of the environmental fund appropriation, for the biennium ending June 30, 1995, to be available for the purposes of Minnesota Statutes, chapter 115E. The complement of the pollution control agency is increased by 5 positions.

Subd. 2. \$128,000 is appropriated from the enforcement account of the environmental fund for the biennium ending June 30, 1995, to the commissioner of the department of natural resources to be available for the purposes of Minnesota Statutes, chapter 115E. The complement of the department of natural resources is increased by 1 position."

Delete the title and insert:

"A bill for an act relating to pollution control; oil and hazardous substance discharge; abbreviated plans for trucks and tank facilities; pipeline and rail fueling facilities; limiting penalties in certain cases; appropriating money; amending Minnesota Statutes 1992, sections 115E.03, subdivision 2; and 115E.04, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 115E."

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

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

S.F. No. 1524: A bill for an act relating to traffic regulations; increasing fine for speeding violation; appropriating money for highway work zone safety enforcement and public education efforts; amending Minnesota Statutes 1992, section 169.14, subdivision 5d.

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

Page 2, line 14, delete everything after "the" and insert "general fund."

Page 2, delete lines 15 to 18

Page 2, line 19, delete "is appropriated" and insert:

"Sec. 2. [APPROPRIATION.]

\$25,000 is appropriated in fiscal year 1994 and \$25,000 is appropriated in fiscal year 1995"

Page 2, line 22, delete "2" and insert "3"

Page 2, line 23, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "appropriating money;"

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

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

S.F. No. 811: A bill for an act relating to transportation; providing for a metropolitan area high speed bus study; appropriating money.

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

Page 1, line 7, delete "commissioner of transportation" and insert "regional transit board"

Page 1, line 8, delete "regional transit board" and insert "Minnesota department of transportation"

Page 1, line 9, before "study" insert "feasibility"

Page 2, line 5, delete "dual-mode buses and"

Page 2, line 8, delete "system" and insert "service"

Page 2, after line 8, insert:

"The study required under this act shall not delay implementation of transit service and facilities improvements planned by the commissioner, the regional transit board, the metropolitan transit commission, and other members of the ad hoc transit committee known as "team transit.""

Page 2, delete section 2 and insert:

"Sec. 2. [APPLICATION.]

Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the regional transit board for the purposes of this act."

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

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

S.F. No. 213: A bill for an act relating to recreation; establishing a Cuyuna country state recreation area; establishing a new unit in the outdoor recreation system; appropriating money; amending Minnesota Statutes 1992, sections 85.045, subdivision 2; 86A.04; 86A.05, subdivisions 2 and 3; and 86A.08, subdivision 1.

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

Page 2, line 11, delete "committee" and insert "subcommittee"

Page 2, line 36, after "lands" insert ", except for trunk highway 6 and trunk highway 210 rights-of-way, held in fee or easement,"

Page 4, delete lines 16 to 36 and insert:

"Subject to easements of record for: C.S.A.H. No. 31 right-of-way purposes over, under, and across the east line of said Section 1; C.S.A.H. No. 30 right-of-way purposes over, under, and across the West Half of the Northwest Quarter and the Section line between said Sections 2 and 3, Township 46 North, Range 29 West, and the Section line between Sections 34 and 35, Township 47 North, Range 29 West; County Road No. 128 right-of-way purposes over, under, and across the Section line between said Sections 16 and 17 and between Sections 8 and 17; C.S.A.H. No. 34 right-of-way

purposes over, under, and across the Section line between said Sections 4 of Township 46 North, Range 29 West, and Section 33 of Township 47 North, Range 29 West; City of Ironton Street right-of-way purposes over, under, and across the SW1/4 of the NW1/4 in Section 11, Township 46 North, Range 29 West, according to the recorded plat thereof; and subject to any other easements, reservations, and restrictions of record."

Page 7, delete lines 10 and 11

Page 9, after line 5, insert:

"Sec. 7. [ADMINISTRATION OF EXISTING UNITS NOT AFFECTED.]

This act does not affect the administration, as defined in Minnesota Statutes, section 86A.03, subdivision 4, of state parks and recreation areas in existence before July 1, 1993."

Page 9, line 6, delete "7" and insert "8"

Page 9, line 7, delete "\$50,000" and insert "\$5,000"

Page 9, line 11, delete "8" and insert "9"

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

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

S.F. No. 1501: A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; 17.59, subdivision 2; and 17.63.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1066: A bill for an act relating to game and fish; providing a definition and authorizing fish in the defined condition to be brought into the state; providing a penalty; requiring notice; amending Minnesota Statutes 1992, sections 97A.015, by adding a subdivision; and 97A.531.

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

Page 1, line 24, before the period, insert "*only by a resident or nonresident possessing a Minnesota angling license*"

Page 2, after line 6, insert:

"Sec. 3. [EFFECTIVE DATE.]

This act is effective March 1, 1994."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 908: A bill for an act relating to agriculture; changing eligibility and participation requirements for certain rural finance authority programs; authorizing an application fee; appropriating money; amending Minnesota Statutes 1992, sections 41B.03, subdivision 1, and by adding a subdivision; 41B.039, subdivision 2; and 41B.042, subdivision 4.

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

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

S.F. No. 771: A bill for an act relating to motor fuels; changing the formula for payments made to producers of ethanol; increasing oxygenate level requirements for gasoline; authorizing the pollution control agency to contract to expedite permit process; eliminating certain LGA/HACA offsets for tax increment financing districts; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 116.07, subdivision 4a; 239.791, subdivisions 1 and 2; and 273.1399, by adding a subdivision.

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

Pages 1 to 3, delete sections 1 and 2

Page 3, line 32, strike “, and”

Page 3, line 33, strike the comma

Page 3, line 36, strike “at any time” and after “area” insert “*not during a carbon monoxide control period*”

Page 4, line 1, reinstate the stricken “two” and delete “2.7”

Page 4, line 2, strike “After” and insert “*Beginning*”

Page 4, line 3, after “Minnesota” insert “:

(1) from October 1 to May 1, must contain at least 2.7 percent oxygen by weight; and

(2) at other times,” and reinstate the stricken “two” and delete “2.7”

Page 4, delete lines 23 and 24

Page 4, line 25, delete “to 5 are” and insert:

“*This act is*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after “sections”

Page 1, line 9, delete everything before "239.791"

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 837: A bill for an act relating to traffic regulations; authorizing cities of the second class to establish programs for citizen enforcement of laws governing parking spaces for persons with disabilities; amending Minnesota Statutes 1992, section 169.346, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 1720 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1720	269				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1720 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1720 and insert the language after the enacting clause of S.F. No. 269, the first engrossment; further, delete the title of H.F. No. 1720 and insert the title of S.F. No. 269, the first engrossment.

And when so amended H.F. No. 1720 will be identical to S.F. No. 269, and further recommends that H.F. No. 1720 be given its second reading and substituted for S.F. No. 269, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 969 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS	CONSENT CALENDAR	CALENDAR
H.F. No. 969	S.F. No. 1504	H.F. No. S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 969 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 969 and insert the language after the enacting clause of S.F. No. 1504, the first engrossment; further, delete the title of H.F. No. 969 and insert the title of S.F. No. 1504, the first engrossment.

And when so amended H.F. No. 969 will be identical to S.F. No. 1504, and further recommends that H.F. No. 969 be given its second reading and substituted for S.F. No. 1504, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 947 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS	CONSENT CALENDAR	CALENDAR
H.F. No. 947	S.F. No. 896	H.F. No. S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 947 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 947 and insert the language after the enacting clause of S.F. No. 896; further, delete the title of H.F. No. 947 and insert the title of S.F. No. 896.

And when so amended H.F. No. 947 will be identical to S.F. No. 896, and further recommends that H.F. No. 947 be given its second reading and substituted for S.F. No. 896, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 43 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS	CONSENT CALENDAR	CALENDAR
H.F. No. 43	S.F. No. 773	H.F. No. S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 43 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 43 and insert the language after the enacting clause of S.F. No. 773, the first engrossment; further, delete the title of H.F. No. 43 and insert the title of S.F. No. 773, the first engrossment.

And when so amended H.F. No. 43 will be identical to S.F. No. 773, and further recommends that H.F. No. 43 be given its second reading and substituted for S.F. No. 773, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1720, 969, 947 and 43 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Hanson moved that the name of Mr. Langseth be added as a co-author to S.F. No. 1524. The motion prevailed.

Messrs. Beckman, Hottinger, Ms. Piper, Messrs. Mondale and Moe, R.D. introduced—

Senate Resolution No. 41: A Senate resolution congratulating the Maple River Eagles for winning the 1993 State High School Class A Boys Basketball Championship.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 840 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 840: A bill for an act relating to mental health; authorizing interstate contracts between Wisconsin and Minnesota for the treatment of mentally ill persons who have been involuntarily committed; amending Minnesota Statutes 1992, section 245.50, subdivision 3, and by adding a subdivision.

Mr. Betzold moved to amend S.F. No. 840 as follows:

Page 1, line 20, before the period, insert “, *except as provided under subdivision 5*”

Page 2, line 4, before the period, insert “*and to enable the temporary placement in Wisconsin of patients who are on emergency holds in Minnesota under section 253B.05, provided that the Minnesota courts retain jurisdiction over Minnesota patients, and the state of Wisconsin affords to Minnesota patients the rights under Minnesota law*”

Page 2, line 7, before the period, insert "and the cost of care of Minnesota residents shall remain with the state of Minnesota"

Page 2, line 11, after "facilities" insert "and Minnesota residents in Wisconsin facilities"

The motion prevailed. So the amendment was adopted.

S.F. No. 840 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 51 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 51: A bill for an act relating to motor vehicles; requiring junking certificates of title; regulating title branding for damaged vehicles; amending Minnesota Statutes 1992, sections 168A.01, subdivisions 17a, 17b, and by adding a subdivision; 168A.04, subdivisions 1 and 4; 168A.05, subdivisions 3 and 5; 168A.15; 168A.151, subdivisions 1, 4, and by adding a subdivision; 168A.152, by adding a subdivision; 325F.6641, subdivision 1; 325F.6642, subdivisions 1, 2, 3, 5, and 6; and 325F.6644; repealing Minnesota Statutes 1992, section 168A.151, subdivisions 2, 3, and 5.

Ms. Johnston moved to amend H.F. No. 51, as amended pursuant to Rule 49, adopted by the Senate March 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 41.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 168A.151, subdivision 1, is amended to read:

168A.151 [GRADING OF LATE MODEL AND HIGH VALUE VEHICLES.]

Subdivision 1. [INSURERS.] When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late model or high value vehicle through payment of damages, the insurer shall stamp and grade the assigned certificate of title as required under subdivision 3 and comply with

all requirements of this chapter. *When an insurer, including self-insured, pays out \$5,000 or more in damage repair costs or 50 percent of the retail value in repair costs, the insurer shall notify the department.*

Sec. 2. Minnesota Statutes 1992, section 168A.151, subdivision 3, is amended to read:

Subd. 3. [GRADING.] An insurer or dealer who acquires ownership of a late model or high value vehicle as described in subdivision 1 or 2 must grade and stamp the certificate of title as follows:

(a) A "class A" total loss vehicle means a vehicle with damage of less than ten percent of the actual cash value *or as compared to a repair estimate originating in Minnesota*, as approved by an insurer or dealer.

(b) A "class B" total loss vehicle means a vehicle with damage of at least ten percent but less than ~~70~~ 50 percent of the vehicle's actual cash value *or as compared to a repair estimate originating in Minnesota*, as approved by an insurer or dealer.

(c) A "class C" total loss vehicle means a vehicle with damage of at least ~~70~~ 50 percent of the vehicle's actual cash value *or as compared to a repair estimate originating in Minnesota*, that is repairable.

(d) A "class D" total loss vehicle means a vehicle with damage of at least 70 percent of the vehicle's actual cash value *or as compared to a repair estimate originating in Minnesota*, that is unrepairable, such as a total fire loss or a vehicle that cannot be restored for public use. A "class D" total loss vehicle may not be retitled, and the certificate of title must be surrendered to the department even if the vehicle is an out-of-state vehicle. A salvage pool, insurance company, or its agent may sell a "class D" total loss vehicle only to a licensed used parts dealer.

Sec. 3. Minnesota Statutes 1992, section 168A.152, is amended to read:

168A.152 [USE AND CERTIFICATION OF TITLE; INSPECTION ~~AND REPAIR; FEES.~~

Subdivision 1. [CERTIFICATE OF INSPECTION AND REPAIR.] A salvage certificate of title authorizes the holder to possess, transport, and transfer ownership in a vehicle. A salvage certificate of title does not authorize the holder to register a vehicle. A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless a certification of inspection *and repair*, in the form and content specified by *subdivision 2 and the department*, accompanies the application for a certificate of title. *Before issuing a Minnesota certificate of title in place of the salvage title, the department must be satisfied that the vehicle has been repaired properly for the vehicle to be operated safely. The department shall review the certification of inspection and repair for structural and operational safety.*

Subd. 2. [REPAIR STANDARDS PROCEDURES.] *Upon repair completion, any vehicle titled with a salvage certificate of title shall be inspected by the department or the department's agent. The department may contract with a company or companies to provide inspection services of salvaged title vehicles. The owner of the salvaged titled vehicle shall pay the state or the state's inspection agent directly on a car-by-car basis. The department shall*

develop a certificate of inspection and repair form that addresses the structural and operational safety of the vehicle.

Subd. 2 3. [INSPECTION FEE.] A fee of \$20 must be paid to the department before the department issues a certificate of title for a vehicle that has been inspected and for which a certificate of inspection *and repair* has been issued pursuant to ~~subdivision~~ *subdivisions 1 and 2*. The only additional fee that may be assessed for issuing the certificate of title is the filing fee imposed under section 168.33, subdivision 7.

Fees collected by the department under this subdivision, for conducting inspections under ~~subdivision~~ *subdivisions 1 and 2*, must be deposited in the general fund.

Sec. 4. Minnesota Statutes 1992, section 325F.6641, is amended to read:

325F.6641 [DISCLOSURE OF MOTOR VEHICLE DAMAGE.]

Subdivision 1. [DAMAGE.] (a) If a motor vehicle has sustained damage by collision or other occurrence which exceeds 70 50 percent of its actual cash value so that the vehicle becomes a class C total loss vehicle, the seller, insurer, or repair company must disclose that fact to the buyer, ~~if the seller has actual knowledge of the damage and department.~~

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar shall revise the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.

Subd. 2. [FORM OF DISCLOSURE.] The ~~disclosure~~ *disclosures* required in this section must be made in substantially the following form: "To the best of my knowledge, this vehicle has has not sustained damage in excess of 70 \$5,000 and has has not sustained damage in excess of 50 percent actual cash value *as compared to a repair estimate originating in Minnesota.*"

Sec. 5. Minnesota Statutes 1992, section 325F.6642, subdivision 3, is amended to read:

Subd. 3. [OUT-OF-STATE VEHICLES.] (a) Upon transfer and application for title of all repaired vehicles with out-of-state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.

(b) The registrar shall mark "rebuilt" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued unless the person applying for the Minnesota title offers proof satisfactory to the registrar that the vehicle did not sustain damage equivalent to the 70 50 percent standard set forth in this section. The proof shall include photographs of the vehicle and either an insurance adjuster's written report or a written

repair estimate which details the parts and labor required to repair the vehicle. The photographs and other documents submitted as proof under this subdivision must be filed and retained by the registrar so as to permit verification of the proof offered.

(c) For vehicles with out-of-state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.

Sec. 6. Minnesota Statutes 1992, section 325F.6642, subdivision 6, is amended to read:

Subd. 6. [CLASS C TOTAL LOSS VEHICLE; DEFINITION.] For the purposes of this section, a class C total loss vehicle means a vehicle, damaged by collision or other occurrence, for which a salvage certificate of title has been issued and vehicles with damage of at least ~~70~~ 50 percent of the vehicle's actual cash value immediately prior to sustaining the damage based on a written retail repair estimate or invoice, as determined by an insurer or dealer pursuant to section 168A.151 or by comparing an insurer's written retail repair estimate of damage or actual loss payout to the average trade-in value of the vehicle according to the National Automobile Dealers Association's Official Used Car Guide or other similar publication approved by the registrar, *or as compared to an actual repair estimate originating in Minnesota.*

Sec. 7. Minnesota Statutes 1992, section 325F.6642, subdivision 7, is amended to read:

Subd. 7. [DEALER DISCLOSURE.] If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation, *as well as physically show the customer the disclosure section on the title.*"

Amend the title accordingly

CALL OF THE SENATE

Mr. Mondale imposed a call of the Senate for the balance of the proceedings on H.F. No. 51. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 55, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Johnston	Metzen	Stevens	Terwilliger
Benson, J.E.				

Those who voted in the negative were:

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

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

Mr. McGowan moved to amend H.F. No. 51, as amended pursuant to Rule 49, adopted by the Senate March 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 41.)

Page 2, line 27, after "exceeded" insert "\$5,000 or"

Page 3, line 17, after "exceeded" insert "\$5,000 or"

Page 6, line 9, after "exceeds" insert "\$5,000 or"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Metzen	Robertson
Benson, D.D.	Frederickson	Laidig	Neuville	Runbeck
Benson, J.E.	Johnson, D.E.	Larson	Oliver	Solon
Berg	Johnston	Lesewski	Olson	Stevens
Betzold	Kelly	Lessard	Pariseau	Terwilliger
Chmielewski	Kiscaden	McGowan	Riveness	Vickerman

Those who voted in the negative were:

Anderson	Finn	Krentz	Mondale	Ranum
Beckman	Flynn	Kroening	Morse	Reichgott
Belanger	Hanson	Langseth	Novak	Sams
Berglin	Hottinger	Luther	Pappas	Samuelson
Bertram	Janezich	Marty	Piper	Spear
Chandler	Johnson, D.J.	Merriam	Pogemiller	Stumpf
Cohen	Johnson, J.B.	Moe, R.D.	Price	Wiener

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

Mr. Oliver moved to amend H.F. No. 51, as amended pursuant to Rule 49, adopted by the Senate March 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 41.)

Page 5, line 17, delete everything after "sustains" and insert "*damage by collision or other occurrence which exceeds 70 percent of its actual cash value*"

Page 5, line 18, delete everything before "shall"

The motion prevailed. So the amendment was adopted.

H.F. No. 51 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berglin	Dille	Johnson, D.E.	Krentz
Anderson	Bertram	Finn	Johnson, D.J.	Kroening
Beckman	Betzold	Flynn	Johnson, J.B.	Laidig
Belanger	Chandler	Frederickson	Johnston	Langseth
Benson, D.D.	Chmielewski	Hanson	Kelly	Larson
Benson, J.E.	Cohen	Hottinger	Kiscaden	Lesewski
Berg	Day	Janezich	Knutson	Lessard

Luther	Morse	Piper	Runbeck	Terwilliger
Marty	Neuville	Pogemiller	Sams	Vickerman
McGowan	Novak	Price	Samuelson	Wiener
Merriam	Oliver	Ranum	Solon	
Metzen	Olson	Reichgott	Spear	
Moe, R. D.	Pappas	Riveness	Stevens	
Mondale	Pariseau	Robertson	Stumpf	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 236 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 236: A bill for an act relating to unemployment compensation; requiring a report on victims of domestic abuse and eligibility for benefits.

Ms. Pappas moved to amend S.F. No. 236 as follows:

Page 1, line 7, delete "POLICY" and insert "POLICIES"

Page 1, line 8, delete "a"

Page 1, line 9, delete "policy" and insert "policies" and delete "issue" and insert "issues of employees separated from employment due to problems with day care for their children and"

Page 1, lines 13 and 14, delete "policy" and insert "policies"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 236 as follows:

Page 1, line 8, after "training" insert "and the commissioner of human services" and delete "develop a"

Page 1, line 9, delete "policy to address" and insert "study"

Page 1, line 11, after "The" insert "study shall investigate whether legislation is necessary to address the issue and whether the issue is best addressed as an employment, human services, criminal, unemployment compensation, or other problem."

Page 1, delete lines 12 and 13

Page 1, line 14, delete "commissioner shall report the policy" and insert "results of the study shall be reported"

Amend the title as follows:

Page 1, line 2, delete "unemployment compensation" and insert "domestic abuse"

Page 1, line 4, after "for" insert "unemployment compensation"

The motion prevailed. So the amendment was adopted.

S.F. No. 236 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 681 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 681: A bill for an act relating to crime victims; clarifying that victims' rights are applicable to juvenile proceedings; providing notice and waiver of towing fees for victims of auto theft; adding restitution as a sentencing option in juvenile traffic cases; waiving fees for docketing an order of restitution as a civil judgment; defining collateral source to include proceeds of a lawsuit brought as result of a crime; making procedural corrections to reduce administrative costs; extending the date of expiration of and increasing the number of members on the Minnesota crime victim and witness advisory council; amending Minnesota Statutes 1992, sections 260.193, subdivision 8; 611A.02, subdivision 2; 611A.04, subdivisions 1, 1a, and 3; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; and 611A.71, subdivisions 1, 2, 3, and 7; proposing coding for new law in Minnesota Statutes, chapters 169; 260; and 611A; repealing Minnesota Statutes 1992, section 611A.57, subdivision 1.

Ms. Anderson moved to amend S.F. No. 681 as follows:

Page 4, line 36, delete "*domestic abuse*" and strike "victim's right to"

Page 5, line 2, delete "*receive notice*" and insert "*additional rights of domestic abuse victims as*"

The motion prevailed. So the amendment was adopted.

S.F. No. 681 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1184 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1184: A bill for an act relating to transportation; authorizing road authorities to develop, finance, design, construct, improve, rehabilitate, own, and operate toll facilities and to enter into agreements with private operators for the construction, maintenance, and operation of toll facilities; proposing coding for new law in Minnesota Statutes, chapter 160.

Mr. Chmielewski moved to amend S.F. No. 1184 as follows:

Page 3, line 9, delete "*enter into*" and insert "*execute*"

Page 3, line 10, delete "*prior*" and after "*of*" insert "*the final agreement by*"

Page 4, delete lines 5 to 7

Page 5, after line 10, insert:

"(f) The agreement must establish a reasonable rate of return on investment and capital during the term of the agreement."

Page 5, line 14, after the first semicolon, insert "*payments to a road authority under the development agreement or a related*" and delete "*concessions payments*" and insert "*concession agreement*"

Page 5, line 20, before "*belong*" insert "*after the payments specified in subdivision 1 are made*" and delete everything after "*operator*" and insert a period

Page 5, delete lines 21 and 22

Page 5, line 34, after "*commissioner*" insert "*of finance*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1184 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Moe, R.D.	Spear
Beckman	Dille	Laidig	Neuville	Stevens
Belanger	Frederickson	Langseth	Novak	Terwilliger
Benson, D.D.	Hanson	Larson	Oliver	Vickerman
Benson, J.E.	Janezich	Lesewski	Olson	Wiener
Berg	Johnson, D.E.	Lessard	Pariseau	
Bertram	Johnston	McGowan	Piper	
Chmielewski	Kiscaden	Merriam	Riveness	
Cohen	Knutson	Metzen	Robertson	

Those who voted in the negative were:

Anderson	Flynn	Marty	Ranum	Stumpf
Berglin	Johnson, D.J.	Mondale	Reichgott	
Betzold	Johnson, J.B.	Morse	Sams	
Chandler	Kroening	Pogemiller	Samuelson	
Finn	Luther	Price	Solon	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1333 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1333: A bill for an act relating to insurance; regulating minimum loss ratios for noncomprehensive policies; amending Minnesota Statutes 1992, section 62A.135.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Frederickson	Kiscaden	Oliver	Samuelson
Beckman	Hanson	Laidig	Olson	Solon
Belanger	Hottinger	Lesewski	Pappas	Stumpf
Benson, D.D.	Janezich	Lessard	Pariseau	Terwilliger
Benson, J.E.	Johnson, D.E.	McGowan	Riveness	Vickerman
Bertram	Johnson, J.B.	Metzen	Robertson	Wiener
Chmielewski	Johnston	Neuville	Runbeck	
Day	Kelly	Novak	Sams	

Those who voted in the negative were:

Anderson	Cohen	Kroening	Merriam	Ranum
Berg	Finn	Langseth	Morse	Reichgott
Berglin	Flynn	Larson	Piper	Spear
Betzold	Johnson, D.J.	Luther	Pogemiller	Stevens
Chandler	Krentz	Marty	Price	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 697 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 697: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for surface water level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 103G.261; 103G.265, subdivision 3; 103G.271, subdivision 7, and by adding subdivisions; 103G.291, by adding a subdivision; 103G.301, subdivision 1; 115.03, subdivision 1; 473.156, subdivision 1; 473.175, subdivision 1; 473.851; and 473.859, subdivisions 3, 4, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1454 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1454: A bill for an act relating to metropolitan government; providing for an advisory council on metropolitan governance.

Mr. McGowan moved to amend S.F. No. 1454 as follows:

Page 2, line 30, after "*expenses*" insert "*, not to exceed \$10,000,*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1454 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1087 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1087: A bill for an act relating to utilities; providing for determination by public utilities commission of competitive rate filings; amending Minnesota Statutes 1992, section 216B.162, subdivision 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 913 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 913: A bill for an act relating to employment; modifying provisions relating to and renaming the Minnesota council for the blind and the consumer advisory council; establishing a rehabilitation advisory council for the blind; amending Minnesota Statutes 1992, sections 248.10; and 268A.02, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1424 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1424: A bill for an act relating to pollution control; exempting certain storage tanks from notification, environmental protection, and tank installer training and certification requirements; amending Minnesota Statutes 1992, section 116.47.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 783 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 783: A bill for an act relating to the city of Albert Lea; actuarial assumptions for the Albert Lea fire department relief association.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 667 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 667: A bill for an act relating to volunteer firefighter relief associations; modifying the corporate registration requirement for relief associations complying with fire state aid financial reporting requirements; amending Minnesota Statutes 1992, sections 69.051, by adding a subdivision; and 317A.823, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 625 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 625: A bill for an act relating to retirement; first class city teachers; annuities, death-while-active survivor benefits, and administration; St. Paul teachers postretirement adjustments; administrative expenses; amending Min-

nesota Statutes 1992, sections 354A.011, subdivision 27; 354A.021, subdivision 5; 354A.12, subdivisions 1, 1a, 2a, 2b; and by adding a subdivision; 354A.23, subdivision 3; 354A.31, by adding subdivisions; 354A.35, subdivision 2; and 356.215, subdivision 4j.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 561 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 561: A bill for an act relating to traffic regulations; directing commissioner of public safety to issue temporary permit immediately to applicant for special disabled license plates or parking certificate; providing penalty for unauthorized use of temporary permit; amending Minnesota Statutes 1992, sections 168.021, subdivisions 1, 1a, and 3; 169.345, subdivisions 3 and 4; and 169.346, subdivisions 1, 2, and 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 952 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 952: A bill for an act relating to occupations and professions; requiring crane operators to be licensed by the state; requiring rulemaking; establishing a crane operators examining board; providing penalties; amending Minnesota Statutes 1992, section 214.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326.

Mr. Solon moved to amend S.F. No. 952 as follows:

Page 3, line 28, delete "or"

Page 3, line 30, before the period, insert "; or

(5) a person engaged in drilling a well, if that person is in compliance with licensing provisions of the department of health"

The motion prevailed. So the amendment was adopted.

S.F. No. 952 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 329 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 329: A bill for an act relating to human services; allocating money to the child care basic sliding fee program; amending Minnesota Statutes 1992, section 256H.03, subdivision 4.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1208 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1208: A bill for an act relating to game and fish; allowing walleye and northern pike to be possessed and transported in a dressed or undressed condition; establishing an experimental program for commercial fishing in Minnesota-Wisconsin boundary waters; limiting number of larger pike taken; amending Minnesota Statutes 1992, sections 97A.551, by adding a subdivision; and 97C.401.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1201 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1201: A bill for an act relating to health occupations and professions; board of psychology; extending deadline by which previously qualified persons may file a declaration of intent to seek licensure as a

licensed psychologist without further examination; requiring the board to issue notices of extension; modifying reciprocity licensing requirement; providing for disciplinary actions; consolidating and modifying enforcement remedies; providing penalties; amending Minnesota Statutes 1992, sections 103I.345, subdivision 1; 116.75; 116.76, subdivision 1; 116.77; 116.82, subdivision 3; 144.71, subdivision 1; 145A.07, subdivision 1; 148.89, by adding a subdivision; 148.905, subdivision 1; 148.921, subdivisions 2 and 3; 148.925, subdivision 1; 148.98; 326.37, subdivision 1; 327.16, subdivision 6; and 327.20, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; and 148; repealing Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2.

Mr. Finn moved to amend S.F. No. 1201 as follows:

Page 21, line 26, after the second semicolon, insert "148.95;"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1201 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 65 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 65: A bill for an act relating to public safety; requiring mandatory notification of the state fire marshal in fires involving death; requiring autopsies on all victims of death caused by fire; deleting the intent element for the crimes of possession of explosives, incendiary devices, and molotov cocktails; defining fire as a dangerous weapon under the criminal code; lowering the felony damage threshold for arson in the second and third degree and negligent fires; creating a felony for tampering with fire alarms when potential for bodily harm exists; allowing prosecutors to charge "arson for profit" rings under RICO statute; granting peace officer status to deputy state

fire marshal investigators; extending the statute of limitations for arson to five years; amending Minnesota Statutes 1992, sections 299F.04, by adding a subdivision; 299F.811; 299F.815, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 609.02, subdivision 6; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.686; 609.902, subdivision 4; and 628.26.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 413 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 413: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in St. Louis county.

Mr. Johnson, D.E. moved to amend S.F. No. 413 as follows:

Page 6, after line 18, insert:

“Sec. 3. [WILLMAR REGIONAL TREATMENT CENTER; LAND CONVEYANCE.]

(a) The commissioner of administration may convey, by quit claim deed in a form approved by the attorney general, to the county of Kandiyohi, those certain tracts of land owned by the state in connection with the ownership and operation of the Willmar regional treatment center. The conveyance must provide that the land reverts to the state if it is not used for the purpose set forth in paragraph (c).

(b) Tracts to be conveyed are located in Kandiyohi county and are described as:

(1) Tract A: The Northeast Quarter of the Northwest Quarter and the Southeast Quarter of the Northwest Quarter all in Section 1, Township 119, Range 35, lying Westerly of U.S.T.H. No. 71 and S.T.H. No. 23 Bypass, and Easterly of U.S.T.H. No. 71 & S.T.H. No. 23, and Northeasterly of

S.T.H. No. 294, EXCEPT the South 200.00 feet of the Southeast Quarter of the Northwest Quarter thereof.

(2) Tract B: The South 200.00 feet of the Southeast Quarter of the Northwest Quarter, and the North 760.00 feet of Government Lot 2, and the North 760.00 feet of the Northwest Quarter of the Southeast Quarter, all in Section 1, Township 119, Range 35, lying Westerly of U.S.T.H. No. 71 & S.T.H. No. 23 Bypass, and Easterly of S.T.H. No. 294.

(c) The described tracts are not required by the state for operation of the Willmar regional treatment center and are desired by Kandiyohi county for construction of a human services building and a future law enforcement center. Construction of the county facilities in close proximity to existing treatment center facilities would enable state and county sharing of services such as maintenance, food services, and central heating, resulting in efficiencies of operation and financial savings to both the state and the county."

Page 6, line 20, delete "and 2" and insert "to 3"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 413 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 298 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 298: A bill for an act relating to crime; expanding the crime of trespass to include entry onto locked or posted construction sites and buildings without consent; amending Minnesota Statutes 1992, section 609.605, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1474 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1474: A bill for an act relating to county records; providing for the use of certain fees; amending Minnesota Statutes 1992, section 357.18, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mr. Berg, Ms. Johnston and Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 58 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 58: A bill for an act relating to local governments; permitting local

governments to require the payment of legal fees incurred by peace officers who are the subject of investigation by a civilian review authority; amending Minnesota Statutes 1992, section 471.44.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Betzold	Ranum	Samuelson	Spear
Berglin	Flynn			

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1380 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1380: A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; including truck parts within the scope of coverage; defining terms; amending Minnesota Statutes 1992, section 325E.068, subdivision 2, and by adding subdivisions.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and

Administration, designated H.F. No. 893 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 893: A bill for an act relating to local government; specifying the prosecuting attorney for certain offenses; amending Minnesota Statutes 1992, section 487.25, subdivision 10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1404 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1404: A bill for an act relating to the city of New Brighton; permitting the city to acquire granular carbon without a bond.

Mr. Mondale moved to amend H.F. No. 1404, as amended pursuant to Rule 49, adopted by the Senate April 16, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1005.)

Page 1, line 5, after the semicolon, insert "ST. LOUIS PARK;"

Page 1, line 6, delete "city" and insert "cities" and before "may" insert "and St. Louis Park"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1404 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 477 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 477: A bill for an act relating to traffic regulations; increasing the fine for child passenger restraint system violations; amending Minnesota Statutes 1992, section 169.685, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Day	Samuelson	Stevens	Vickerman
Bertram	Neuville			

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 487 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 487: A bill for an act relating to natural resources; requiring that iron mines and production facilities be maintained in salable operating condition; proposing coding for new law in Minnesota Statutes, chapter 93.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1275 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1275: A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to lenders and owners for redevelopment of property under an approved cleanup plan; providing authority to issue determinations regarding association with a release; amending Minnesota Statutes 1992, section 115B.175, subdivisions 4, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115B.

Mr. Mondale moved to amend S.F. No. 1275 as follows:

Page 2, line 10, delete from “*Notwithstanding*” through page 2, line 14, to “*property.*”

The motion prevailed. So the amendment was adopted.

S.F. No. 1275 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 55 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 55: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers, firefighters, and surviving spouses in the city of Eveleth; amending Laws 1977, chapter 61, section 6, as amended.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 645 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 645: A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1992, sections 222.86, subdivision 3; 222.87, by adding a subdivision; and 222.88.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berglin	Flynn	Johnson, J.B.	Laidig
Anderson	Bertram	Frederickson	Johnston	Langseth
Beckman	Betzold	Hanson	Kelly	Larson
Belanger	Chandler	Hottinger	Kiscaden	Lesewski
Benson, D.D.	Chmielewski	Janezich	Knutson	Lessard
Benson, J.E.	Day	Johnson, D.E.	Krentz	Luther
Berg	Finn	Johnson, D.J.	Kroening	Marty

McGowan	Neuville	Piper	Sams	Terwilliger
Merriam	Novak	Price	Samuelson	Vickerman
Metzen	Oliver	Ranum	Solon	Wiener
Moe, R.D.	Olson	Reichgott	Spear	
Mondale	Pappas	Riveness	Stevens	
Morse	Pariseau	Runbeck	Stumpf	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1158 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1158: A bill for an act relating to workers' compensation; modifying provisions relating to adjustment of benefits; amending Minnesota Statutes 1992, section 176.645, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kroening	Morse	Riveness
Anderson	Hanson	Lessard	Novak	Samuelson
Beckman	Hottinger	Luther	Pappas	Solon
Berglin	Janezich	Marty	Piper	Spear
Betzold	Johnson, D.J.	Merriam	Pogemiller	Wiener
Chandler	Johnson, J.B.	Metzen	Price	
Chmielewski	Kelly	Moe, R.D.	Ranum	
Finn	Krentz	Mondale	Reichgott	

Those who voted in the negative were:

Belanger	Dille	Laidig	Olson	Stumpf
Benson, D.D.	Frederickson	Langseth	Pariseau	Terwilliger
Benson, J.E.	Johnson, D.E.	Lesewski	Robertson	Vickerman
Berg	Johnston	McGowan	Runbeck	
Bertram	Kiscaden	Neuville	Sams	
Day	Knutson	Oliver	Stevens	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 699 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 699: A bill for an act relating to health; utilization review of health care; providing for chiropractic review; amending Minnesota Statutes 1992, section 62M.09, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 237 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 237: A bill for an act relating to counties; providing procedures for the combination of the offices of auditor and treasurer; amending Minnesota Statutes 1992, section 375A.10, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Langseth	Olson	Samuelson
Anderson	Flynn	Lessard	Pappas	Solon
Beckman	Hottinger	Luther	Pariseau	Spear
Belanger	Janezich	Marty	Piper	Stevens
Benson, J.E.	Johnson, J.B.	Merriam	Pogemiller	Vickerman
Berg	Johnston	Metzen	Price	Wiener
Berglin	Kelly	Moe, R.D.	Ranum	
Betzold	Kiscaden	Mondale	Reichgott	
Chandler	Krentz	Novak	Robertson	
Chmielewski	Kroening	Oliver	Runbeck	

Those who voted in the negative were:

Benson, D.D.	Dille	Johnson, D.J.	Morse	Terwilliger
Bertram	Finn	Laidig	Neuville	
Day	Frederickson	Lesewski	Sams	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 848 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 848: A bill for an act relating to natural resources; mineral leasing; environmental research and protection; exploratory mineral borings and data; lean ore stockpile removal; amending Minnesota Statutes 1992, sections 92.50, subdivision 1; 93.001; 93.002, subdivisions 1 and 3; 93.25; 93.46, by

adding a subdivision; 93.481, subdivisions 1 and 2; 103I.113; 103I.601, subdivision 1; 103I.605, subdivision 4; and 282.04, subdivision 1.

Mr. Janezich moved to amend S.F. No. 848 as follows:

Page 10, line 33, delete “; OIL AND GAS POOLING”

The motion prevailed. So the amendment was adopted.

S.F. No. 848 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 464 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 464: A bill for an act relating to game and fish; color of outer clothing required in firearms deer zones; amending Minnesota Statutes 1992, section 97B.071.

Mr. Morse moved to amend S.F. No. 464 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 97B.071, is amended to read: 97B.071 [RED OR BLAZE ORANGE REQUIREMENTS.]

A person may not hunt or trap during the open season in a zone or area where deer may be taken by firearms, unless the visible portion of the person’s cap and outer clothing above the waist, excluding sleeves and gloves, is bright red or blaze orange. Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square.”

Delete the title and insert:

“A bill for an act relating to game and fish; color of outer clothing required in firearms deer zones; amending Minnesota Statutes 1992, section 97B.071.”

The motion prevailed. So the amendment was adopted.

S.F. No. 464 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Hanson	Kroening	Neuville	Reichgott
Anderson	Hottinger	Laidig	Novak	Robertson
Belanger	Johnson, D.E.	Lessard	Oliver	Sams
Berglin	Johnson, D.J.	Luther	Olson	Samuelson
Bertram	Johnson, J.B.	Marty	Pappas	Solon
Betzold	Johnson	Merriam	Pariseau	Spear
Cohen	Kelly	Metzen	Piper	Stevens
Day	Kiscaden	Moe, R.D.	Pogemiller	Stumpf
Finn	Knutson	Mondale	Price	Wiener
Flynn	Krentz	Morse	Ranum	

Those who voted in the negative were:

Beckman	Berg	Frederickson	McGowan	Terwilliger
Benson, D.D.	Chandler	Lesewski	Riveness	Vickerman
Benson, J.E.	Dille			

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 804 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 804: A bill for an act relating to health; providing an exception to the contested case hearing process required for changing the service area of an ambulance service; amending Minnesota Statutes 1992, section 144.802, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 768 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 768: A bill for an act relating to retirement; Minnesota state retirement system; authorizing a purchase of service credit by a former grain inspector.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Samuelson
Anderson	Dille	Krentz	Novak	Solon
Beckman	Finn	Kroening	Oliver	Spear
Belanger	Flynn	Laidig	Olson	Stumpf
Benson, D.D.	Hanson	Langseth	Pappas	Terwilliger
Benson, J.E.	Hottinger	Lessard	Pariseau	Vickerman
Berg	Janezich	Luther	Piper	Wiener
Berglin	Johnson, D.E.	Marty	Price	
Bertram	Johnson, D.J.	McGowan	Ranum	
Chandler	Johnson, J.B.	Metzen	Riveness	
Chmielewski	Kiscaden	Mondale	Sams	

Those who voted in the negative were:

Betzold	Johnston	Merriam	Robertson	Stevens
Cohen	Lesewski	Neuville	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 563 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 563: A bill for an act relating to transportation; requiring notice of and imposing a penalty for fraudulent certification of eligibility for special transportation service; amending Minnesota Statutes 1992, section 473.386, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 174.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 911 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 911: A bill for an act relating to public employment; essential employees; requiring the commissioner of the bureau of mediation services to designate separate units for peace officers and other essential employees at the request of either group of employees; amending Minnesota Statutes 1992, section 179A.09, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1525 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1525: A bill for an act relating to occupations and professions; abstracters; providing for certain applicants to be exempt from the bond and liability insurance requirement; amending Minnesota Statutes 1992, section 386.66.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Berglin	Dille	Johnson, D.J.	Laidig
Anderson	Bertram	Finn	Johnson, J.B.	Langseth
Beckman	Betzold	Flynn	Johnston	Lesewski
Belanger	Chandler	Frederickson	Kiscaden	Lessard
Benson, D.D.	Chmielewski	Hanson	Knutson	Luther
Benson, J.E.	Cohen	Hottinger	Krentz	Marty
Berg	Day	Janezich	Kroening	McGowan

Merriam	Novak	Price	Sams	Vickerman
Metzen	Oliver	Ranum	Samuelson	Wiener
Moe, R.D.	Olson	Reichgott	Solon	
Mondale	Pappas	Riveness	Spear	
Morse	Piper	Robertson	Stevens	
Neuville	Pogemiller	Runbeck	Terwilliger	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 945 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 945: A bill for an act relating to occupations and professions; modifying the membership of the board of nursing; requiring a certain examination for licensure of graduates from nursing programs in other countries; modifying requirements for a temporary permit; adding grounds for disciplinary action; amending Minnesota Statutes 1992, sections 148.181, subdivisions 1 and 3; 148.211, subdivision 1; 148.212; and 148.261, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

CONFIRMATION

Mr. Marty moved that the reports from the Committee on Ethics and Campaign Reform, reported April 21, 1993, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Marty moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Marty moved that in accordance with the reports from the Committee on Ethics and Campaign Reform, reported April 21, 1993, the Senate, having given its advice, do now consent to and confirm the appointment of:

STATE ETHICAL PRACTICES BOARD

Elsa Carpenter, 4724 Emerson Ave. S., Minneapolis, Hennepin County, effective May 27, 1992, for a term expiring on the first Monday in January, 1995.

John L. Holahan, Jr., 5320 Birchcrest Dr., Edina, Hennepin County, effective April 21, 1993, for a term expiring on the first Monday in January, 1997.

Carolyn Deshon Rodriguez, 12815 Foliage Ave., Apple Valley, Dakota County, effective June 8, 1992, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 350:

H.F. No. 350: A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; other education programs; miscellaneous provisions; choice programs; libraries; state agencies; and realignment of responsibilities; making conforming changes; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3, 4, and 16; 120.0751; subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223,

subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.84, subdivision 3; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 128C.02, by adding a subdivision; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 275.48; 473F.02, by adding a subdivision; and 475.61, subdivision 3; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; 145.926; and Laws 1988, chapter 486, section 59.

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

Vellenga, Kelso, Bauerly, Carlson and Koppendrayner have been appointed as such committee on the part of the House.

House File No. 350 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 26, 1993

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 350, and that a Conference Committee

of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1101, 1467, H.F. No. 584 and reports pertaining to appointments. The motion prevailed.

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

H.F. No. 251: A bill for an act relating to child abuse reporting; expanding the definition of "neglect" to include failure to provide a child with necessary education; amending Minnesota Statutes 1992, section 626.556, subdivision 2.

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

Amend the report from the Committee on Crime Prevention, adopted by the Senate April 12, 1993, as follows:

Page 1, line 13, delete "unable"

Page 1, line 14, delete "or" and delete "school attendance" and insert "instruction"

Page 1, line 15, delete "5" and insert "5b"

Page 1, line 17, delete everything after the period

Page 1, delete lines 18 to 22

Page 1, delete section 2

Page 3, after line 10, insert:

"Sec. 3. Minnesota Statutes 1992, section 260.155, is amended by adding a subdivision to read:

Subd. 9. [PRESUMPTIONS REGARDING TRUANCY OR EDUCATIONAL NEGLECT.] A child's absence from school, when the child is 11 years old or younger, is presumed to be due to the parent's, guardian's, or custodian's failure to comply with compulsory instruction laws; this presumption may be rebutted based on a showing by clear and convincing evidence that the child is habitually truant. A child's absence from school, when the child is 12 years old or older, is presumed to be due to the child's intent to be absent from school; this presumption may be rebutted based on a showing by clear and convincing evidence that the child's absence is due to educational neglect."

Renumber the sections in sequence

Amend the title amendment as follows:

Page 5, line 29, delete "subdivision 19, and"

Page 5, line 30, before the second semicolon, insert ", and by adding a subdivision"

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

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

S.F. No. 1532: A bill for an act relating to landlord and tenant; modifying action to recover leased premises; providing for actions for destruction of leased residential rental property; allowing expedited proceedings; amending Minnesota Statutes 1992, sections 504.02, subdivision 1; and 566.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 504; and 566.

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

Page 3, line 16, delete "*or Minnesota*"

Page 3, line 17, delete everything before "*in*"

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

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

S.F. No. 1101: A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing cease and desist orders; providing for penalties; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; and 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214.

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

Page 8, lines 17 and 19, delete "\$255" and insert "\$280"

Page 11, line 5, delete "*or payment of a fee*"

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 968: A bill for an act relating to human services; changing the distribution scheme for money appropriated for the foodshelf program; appropriating money; amending Minnesota Statutes 1992, section 268.55.

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

Page 1, line 12, reinstate the stricken language

Page 1, line 16, before "*to*" insert "*the foodshelf program*"

Page 3, delete section 2

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

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

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

H.F. No. 584: A bill for an act relating to utilities; regulating telephone services to communication-impaired persons; amending Minnesota Statutes 1992, sections 237.49; 237.50, subdivision 3; 237.51, subdivision 2; and 237.52, subdivision 2; repealing Laws 1987, chapter 308, section 8.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1314: A bill for an act relating to employees; providing for a wage protection program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 2, line 17; delete "\$....." and insert "\$200,000"

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

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

S.F. No. 1467: A bill for an act relating to waters; establishing a safe harbors program for Lake Superior; stating powers and duties of the commissioner of natural resources and local authorities in respect thereto; proposing coding for new law in Minnesota Statutes, chapter 86A.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE FINDINGS.]

The legislature recognizes and accepts the recommendations of the North Shore Harbors Plan of June 1, 1991, as amended March 2, 1993, relative to Knife River, Two Harbors, Silver Bay, Grand Marais, and Grand Portage.

Sec. 2. [86A.20] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 2 to 6, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 3. [MOORING FACILITY.] "Mooring facility" means one or more anchorage or boat slips provided for the safe and convenient docking of boats, which may also provide utility, fuel, or sewage pump-out services to the docked boats.

Subd. 4. [SMALL CRAFT HARBOR.] "Small craft harbor" means a protected harbor with boat tie-ups consisting of piers or moorings, boat launches, and support facilities such as roads and parking areas.

Subd. 5. [MARINA.] "Marina" means a mooring facility providing additional services to boats, such as repairs, haul-out, winter storage, food, beverage, food and beverage service, and services and facilities of a related nature.

Sec. 3. [86A.21] [POWERS AND DUTIES OF COMMISSIONER.]

(a) *The commissioner may:*

(1) *acquire, construct, and maintain small craft harbors, channels, and facilities for recreational watercraft in the navigable waters lying within the locations identified in section 1;*

(2) *acquire by purchase, lease, gift, or condemnation the lands, rights-of-way, easements, and other interests necessary for small craft harbors, channels, mooring facilities, marinas, launching ramps, and facilities normally used to support harbors of refuge, channels, docks, and launching ramps;*

(3) *provide the public within the boundaries of small craft harbors, through leases of public property, with mooring facilities and marinas developed and operated by public or nonpublic entities at no cost to the state or its political subdivisions;*

(4) *charge fees for both seasonal and daily moorage at state-operated or state-assisted small craft harbors and mooring facilities;*

(5) *collect the proceeds from the sale of marine fuel at small craft harbors or mooring facilities operated by the state.*

(b) *Fees and proceeds collected under paragraph (a) must be credited to the water recreation account and may be used for purposes relating to mooring facilities and small craft harbors, including:*

(1) *operation and maintenance;*

(2) *purchase of marine fuel and other petroleum supplies;*

(3) *replacement or expansion; or*

(4) *debt service on funds provided through the sale of state bonds.*

(c) *Fees collected at small craft harbors and boating facilities constructed or operated by local units of government with financial assistance from the state shall, after payment of the costs of operating and maintaining the facilities, be used for purposes relating to mooring facilities and small craft harbors, including:*

(1) *operation and maintenance;*

(2) replacement or expansion; or

(3) debt service on funds provided through the sale of state bonds.

Sec. 4. [86A.22] [AUTHORITY OF LOCAL UNITS OF GOVERNMENT.]

Counties, towns, and home rule charter and statutory cities of this state abutting on Lake Superior or inland waterways connected with Lake Superior for navigation and shelter of recreational watercraft are authorized by majority vote of their respective governing bodies to enter into contracts and agreements with the commissioner to accomplish the purposes of sections 2 to 6.

Sec. 5. [86A.23] [OPEN FACILITIES.]

Facilities in harbors and connecting waterways established under sections 2 to 6 shall be public and open to all users on equal and reasonable terms.

Sec. 6. [86A.24] [FINANCING OF HARBORS AND FACILITIES.]

The commissioner may take actions necessary to:

(1) provide the finances required of nonfederal sponsors as a condition for United States participation in any project in which the commissioner is empowered to participate;

(2) enter into agreements with the United States Army Corps of Engineers to provide the funds and other items of local cooperation required as a condition precedent to the construction of a harbor, mooring facility, or marina project; and

(3) enter into agreements with political subdivisions of this state regarding participation with the United States in any project within the commissioner's authority, and to make adjustments which in the judgment of the commissioner are in the best interest of the state.

Sec. 7. [MANAGEMENT OF EURASIAN WATER MILFOIL IN WHITE BEAR LAKE.]

By May 31, 1993, the department of natural resources shall recommend appropriate management methods for the control of Eurasian water milfoil in White Bear lake to be implemented by the White Bear Lake conservation district in cooperation with local units of government, lake associations, and local citizen groups."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring the department of natural resources to recommend methods for control of Eurasian water milfoil in White Bear lake;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 883: A bill for an act relating to waters; inspection of watercraft for exotic harmful species; closing of access points; gasoline tax distribution; permit fee for aquatic vegetation control; authorizing civil penalties; appropriating money; amending Minnesota Statutes 1992, sections 18.317, subdivision 3a, and by adding a subdivision; 84.968, subdivision 1; and 296.421, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 18.317, subdivision 3a, is amended to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or other water-transmitted exotic harmful species identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources. *Beginning in calendar year 1994, a minimum of 20,000 hours of random inspections must be conducted per year.*

Sec. 2. [84.9692] [CIVIL CITATIONS AND PENALTIES.]

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

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

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

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

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

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

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

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

(ii) any surface of a watercraft trailer;

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

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

(v) any other area where visible Eurasian water milfoil is found not previously described in items (1) to (4);

- (2) \$150 for transporting visible zebra mussels on a public road;
- (3) \$300 for transporting live ruffe or live rusty crayfish on a public road;
- (4) \$500 for attempting to launch or launching a watercraft with visible Eurasian water milfoil or adult zebra mussels attached visible prior to launching into noninfested waters for a first offense, and \$1,000 for a second or subsequent offense;
- (5) \$100 for operating a watercraft in a marked limited infestation of Eurasian water milfoil other than as provided by law;
- (6) \$150 for intentionally damaging, moving, removing, or sinking a milfoil buoy; or
- (7) \$150 for launching or attempting to launch a watercraft with visible Eurasian water milfoil or visible zebra mussels visible prior to launching into infested waters.

Subd. 3. [PAYMENT OF PENALTY.] *If not appealed under subdivision 4, civil penalties are payable to the commissioner no later than 30 days after issuance. Fines collected under this section must be credited to the water recreation account.*

Subd. 4. [APPEALS.] *Citations may be appealed under the procedures in section 116.072, subdivision 6, if the person requests a hearing by notifying the commissioner within 15 days after receipt of the citation. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.*

Subd. 5. [ENFORCEMENT OF FIELD CITATIONS.] *Field citations may be enforced under section 18.317.*

Subd. 6. [CUMULATIVE REMEDY.] *The authority of conservation officers to issue field citations is in addition to other remedies available under law, except that the state may not seek penalties under any other provision of law for the incident subject to the citation.*

Sec. 3. Minnesota Statutes 1992, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] *A surcharge of \$3 is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands. The surcharge is \$5 until December 31, 1996, and \$3 thereafter.*

Sec. 4. Minnesota Statutes 1992, section 103G.615, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) *The commissioner shall establish a fee schedule for permits to harvest aquatic plants other than wild rice, by order, after holding a public hearing. The fees may not exceed \$200 per permit based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit.*

(b) *The fee for a permit for chemical treatment of rooted aquatic vegetation may not exceed \$20 for each contiguous parcel of shoreline owned by an*

owner. This fee may not be charged for permits issued in connection with lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(e) (d) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.

Sec. 5. Minnesota Statutes 1992, section 103G.617, subdivision 5, is amended to read:

Subd. 5. [RESEARCH.] The commissioner shall initiate cooperative research with the ~~Freshwater Foundation and the University of Minnesota freshwater biological institute~~ and other public and private research facilities to study the use of nonchemical methods, including biological control agents, for control of Eurasian water milfoil.

Sec. 6. [MANAGEMENT OF EURASIAN WATER MILFOIL IN WHITE BEAR LAKE.]

By May 31, 1993, the department of natural resources shall recommend appropriate management methods for the control of Eurasian water milfoil in White Bear lake to be implemented by the White Bear Lake conservation district in cooperation with local units of government, lake associations, and local citizen groups.

Sec. 7. [APPROPRIATION.]

Money collected under section 2, subdivision 3, and section 3 is appropriated to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research on nuisance aquatic exotic species in public waters and wetlands.

Sec. 8. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1994. Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waters; inspection of watercraft for exotic harmful species; gasoline tax distribution; permit fee for aquatic vegetation control; authorizing civil penalties; appropriating money; amending Minnesota Statutes 1992, sections 18.317, subdivision 3a; 86B.415, subdivision 7; 103G.615, subdivision 2; 103G.617, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 84."

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

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

S.F. No. 879: A bill for an act relating to agriculture; providing for the continued use of unregistered pesticides; modifying procedures for the return of empty agricultural pesticide containers and unused portions of agricultural pesticides; changing the amounts of the ACCRA surcharges; amending Minnesota Statutes 1992, sections 18B.065, by adding a subdivision;

18B.135, subdivision 1; 18B.26, subdivision 1; and 18E.03, subdivisions 4, 6, and 7; repealing Minnesota Statutes 1992, section 18E.03, subdivision 5.

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

Page 1, after line 12, insert:

“Section 1. Minnesota Statutes 1992, section 18B.01, is amended by adding a subdivision to read:

Subd. 9a. [FIXED LOCATION.] “Fixed location” means all stationary restricted and bulk pesticide facility operations owned or operated by a person located in the same plant location or locality.

Sec. 2. Minnesota Statutes 1992, section 18B.01, is amended by adding a subdivision to read:

Subd. 30a. [SUBSTANTIALLY ALTERING; SUBSTANTIALLY ALTER; SUBSTANTIAL ALTERATION.] “Substantially altering,” “substantially alter,” or “substantial alteration” means modifying a bulk agricultural chemical storage facility by:

(1) changing the capacity of a safeguard;

(2) adding storage containers in excess of the capacity of a safeguard as required by rule; or

(3) increasing the size of the single largest storage container in a safeguard as approved or permitted by the department of agriculture. This does not include routine maintenance of safeguards, storage containers, appurtenances, piping, mixing, blending, weighing, or handling equipment.”

Page 1, line 18, delete “agricultural” and delete everything after “pesticides”

Page 1, line 19, delete everything before the period

Page 1, line 22, delete “AGRICULTURAL” and insert “PESTICIDE”

Page 1, line 24, reinstate the stricken language and delete the new language

Page 1, lines 25, 26, and 28, delete the new language

Page 1, line 27, reinstate the stricken “a” and delete “an”

Page 2, lines 1, 5, 10, 13, 16, 25, and 26, delete “agricultural”

Page 2, line 15, after “intentions” insert “annually by February 1”

Page 2, after line 27, insert:

“(d) For purposes of this section, pesticide containers do not include containers that have held sanitizers and disinfectants, pesticides labeled primarily for use on humans or pets, or pesticides not requiring dilution or mixing.

Sec. 5. Minnesota Statutes 1992, section 18B.14, subdivision 2, is amended to read:

Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more for more than ten

consecutive days at a bulk pesticide storage facility must obtain a pesticide storage permit from the commissioner as required by rule.

(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored. An application for a facility that includes both fertilizers as regulated under chapter 18C and bulk pesticides as regulated under this chapter shall pay only one application fee of \$100.

(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.

(d) A person must obtain a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters a bulk pesticide storage facility. If an application is incomplete, the commissioner must notify the applicant as soon as possible. The permit must be acted upon within 30 days after receiving a completed application.

(e) An application to substantially alter a facility must be accompanied by a \$50 fee. An application for a facility that includes both fertilizers regulated under chapter 18C and bulk pesticides regulated under this chapter shall pay only one application fee of \$50.

(f) An additional application fee of \$250 must be paid by an applicant a person who begins construction of, or substantially alters, a bulk pesticide agricultural chemical storage facility before a permit is issued by the commissioner. ~~The fee under this paragraph may not be charged if the permit is not acted upon within 30 days after receiving a completed application, except that the \$250 additional fee may not be assessed if the person submits a permit application with the required fee to the commissioner before completing the construction or substantial alteration.~~

Page 3, after line 21, insert:

“Sec. 7. Minnesota Statutes 1992, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990, at one-fifth of one percent for calendar year 1991, and at two-fifths of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250 plus an additional one-tenth of one percent for each pesticide for which the United States Environmental Protection Agency, Office of Water, has published a Health Advisory Summary by December 1 of the previous year. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and

must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. Of the amount collected after calendar year 1990, at least \$600,000 per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5, and the additional amount collected for pesticides with Health Advisory Summaries shall be credited to the agricultural project utilization account under section 116C.13 to be used for pesticide use reduction grants by the agricultural utilization research institute.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

Sec. 8. Minnesota Statutes 1992, section 18B.31, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), ~~a person no individual may not distribute at wholesale or retail or possess offer for sale or sell a restricted use pesticides or bulk pesticides with an intent to distribute them to an ultimate pesticide to a pesticide end user from any fixed location without a pesticide dealer license.~~

(b) ~~The A pesticide dealer license requirement does not apply to is not required for:~~

(1) a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;

(2) a federal, state, county, or municipal agency using restricted use pesticides for its own programs; or

(3) a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; or

(4) a person at a fixed location that is not used to offer for sale or sell restricted use or bulk pesticides including, but not limited to, warehouses or other storage sites.

(c) A licensed pesticide dealer may sell restricted use pesticides only to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.

(d) A pesticide dealer license is required for an individual not located in Minnesota who offers for sale or sells a restricted use or bulk pesticide to a pesticide end user located in Minnesota.

(e) Only one pesticide dealer license is required per fixed location from which an individual offers for sale or sells a restricted use or bulk pesticide to an end user.

Sec. 9. Minnesota Statutes 1992, section 18B.36, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training that meets or exceeds United States Environmental Protection Agency standards to certify private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include an examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of three calendar years from the applicant's nearest birthday including the first year of certification, and expires December 31 of the third year.

(c) The commissioner shall issue a private applicator card to a private applicator.

Sec. 10. Minnesota Statutes 1992, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. *Noncommercial applicators must keep records of restricted use pesticides.* The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) brand name of the pesticide, the United States Environmental Protection Agency registration number, and dosage used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name and signature of applicator, name of company, license number of applicator, and address of applicator company; and

(9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single page document for each pesticide application, except a map may be attached to identify treated areas. For the rights-of-way and wood preservative categories, the required record may not exceed five pages. An invoice containing the required information may constitute the required record. The commissioner shall make sample forms available to meet the requirements of this paragraph.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 11. Minnesota Statutes 1992, section 18C.005, subdivision 13, is amended to read:

Subd. 13. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P_2O_5) phosphate (P_2O_5), and soluble potassium (K) or soluble potash (K_2O) (K_2O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis except the grade of bone meals, manures, and similar raw materials may be stated in fractional units, and specialty fertilizers may be stated in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid phosphate, and soluble potassium or soluble potash.

Sec. 12. Minnesota Statutes 1992, section 18C.005, subdivision 35, is amended to read:

Subd. 35. [SUBSTANTIALLY ALTERING; SUBSTANTIALLY ALTER; SUBSTANTIAL ALTERATION.] "Substantially altering," "substantially alter," or "substantial alteration" means modifying a bulk agricultural chemical storage facility by:

- (1) changing the capacity of a safeguard;
- (2) adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping, in excess of the capacity of a safeguard as required by rule;
- (3) increasing the size of the largest storage container in a safeguard as approved or permitted by the commissioner of agriculture; or
- (4) adding or changing anhydrous ammonia storage containers or adding ammonia loading or unloading stations. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping, or of existing mixing, blending, weighing, and or handling equipment. For dry bulk fertilizer, a person may decrease storage capacity without a substantial alteration permit and may increase storage capacity up to 150 tons per location annually without a substantial alteration permit.

Sec. 13. Minnesota Statutes 1992, section 18C.115, subdivision 2, is amended to read:

Subd. 2. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the ~~1989~~ 1993 official publication, number 42 46, of the association of American plant food control officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 14. Minnesota Statutes 1992, section 18C.211, subdivision 1, is amended to read:

Subdivision 1. [N, P, AND K NUTRIENT CONTENT STATED.] (a) Until the commissioner prescribes the alternative form of guaranteed analysis, it must be stated as provided in this subdivision.

(b) A guaranteed analysis must state the percentage of plant nutrient content, if claimed, in the following form:

“Total Nitrogen (N)	... percent
Available Phosphoric Acid (P2O5) Phosphate (P_2O_5)	... percent
Soluble Potash (K2O) (K_2O)	... percent”

(c) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid phosphate or degree of fineness may also be stated.

Sec. 15. Minnesota Statutes 1992, section 18C.215, subdivision 2, is amended to read:

Subd. 2. [BLENDED AND MIXED FERTILIZER.] (a) A distributor who blends or mixes fertilizer to a customer's order without a guaranteed analysis of the final mixture must furnish each purchaser with an invoice or delivery ticket in written or printed form showing the net weight and guaranteed analysis of each of the materials used in the mixture.

(b) The invoice or delivery ticket must accompany the delivery.

(c) Records of invoices or delivery tickets must be kept for five years after the delivery or application.

Sec. 16. Minnesota Statutes 1992, section 18C.305, subdivision 2, is amended to read:

Subd. 2. [PERMIT FEES.] (a) An application for a new facility must be accompanied by a nonrefundable application fee of \$100 for each location where fertilizer is stored.

(b) An application to substantially alter a facility must be accompanied by a nonrefundable \$50 fee.

(c) ~~In addition to the fees under paragraphs (a) and (b),~~ An additional fee of \$250 must be paid by an applicant a person who begins construction of, or substantial alteration substantially alters a bulk agricultural chemical storage facility before a permit is issued by the commissioner, except that the \$250 additional fee may not be assessed if the person submits a permit application with the required fee to the commissioner before completing the construction or substantial alteration.

(d) An application for a facility that includes both fertilizers, as regulated under this chapter, and pesticides as regulated under chapter 18B shall pay only one application fee of \$100.

Sec. 17. Minnesota Statutes 1992, section 18D.103, is amended by adding a subdivision to read:

Subd. 3. [EXCEPTION.] A responsible party or an owner of real property who is a licensed or certified private or commercial pesticide applicator is not required to report an incident to the commissioner under this section if the amount of pesticide involved in the release is less than the maximum amount of the pesticide that, consistent with its label, can be applied to one acre of agricultural crop land unless the release occurred into or near public water or groundwater.

Sec. 18. Minnesota Statutes 1992, section 18D.105, is amended by adding a subdivision to read:

Subd. 3a. [PASSIVE BIOREMEDIATION.] Passive bioremediation must be considered for pesticide cleanups whenever an assessment of the site determines that there is a low potential risk to public health and the environment. The assessment may include the soil types involved, leaching potential, underlying geology, proximity to ground and surface water, and the soil half-life of the pesticides.

Sec. 19. Minnesota Statutes 1992, section 18E.03, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded; and

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) by the board to reimburse the commissioner for board staff and other administrative costs up to \$150,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Page 4, line 3, before the period, insert “, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner, pesticides labeled solely for use directly on humans or pets, or pesticides not requiring dilution or mixing and labeled for use in areas associated with household or home life as determined by the commissioner, but excluding turf or garden use”.

Page 6, after line 10, insert:

“Sec. 23. Minnesota Statutes 1992, section 18E.04, is amended by adding a subdivision to read:

Subd. 2a. [INELIGIBILITY FOR REIMBURSEMENT OR PAYMENT.] Pesticides that are sanitizers and disinfectants, pesticides labeled solely for use directly on humans or pets, or pesticides not requiring dilution or mixing and labeled for use in areas associated with household or home life that are

exempted from surcharges are ineligible for reimbursement or payment under this section.

Sec. 24. Minnesota Statutes 1992, section 325F.19, subdivision 7, is amended to read:

Subd. 7. "Presenting a clear and present danger" means known to cause physical damage to structure or health hazards to occupants through continuing direct contact or release of a hazardous substances *substance* as defined in section 24.33 115B.02."

Page 6, lines 11 and 12, delete "AGRICULTURAL"

Page 6, line 16, delete "agricultural"

Page 6, line 17, delete everything after "pesticides"

Page 6, line 18, delete "use"

Page 6, lines 19, 20, 21, 23, and 26, delete "agricultural"

Page 6, line 27, delete "agricultural" in both places

Page 6, after line 28, insert:

"Sec. 26. [APPROPRIATION.]

\$200,000 in fiscal year 1994 and \$200,000 in fiscal year 1995 is appropriated from the pesticide regulatory account to the agricultural utilization research institute for pesticide best management practice evaluation grants and agricultural chemical spill site remediation research grants in consultation with the department of agriculture."

Page 6, delete lines 30 and 31 and insert:

"Minnesota Statutes 1992, sections 18C.211, subdivision 3; 18C.215, subdivision 3; 18E.03, subdivision 5; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; and 24.42, are repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete "agricultural"

Page 1, line 7, after the semicolon, insert "authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; making changes in the laws on pesticides and agricultural chemicals; repealing the hazardous substance labeling act; appropriating money;"

Page 1, delete lines 8 to 11 and insert "18B.01, by adding subdivisions; 18B.065, by adding a subdivision; 18B.135, subdivision 1; 18B.14, subdivision 2; 18B.26, subdivisions 1 and 3; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18D.103, by adding a subdivision; 18D.105, by adding a subdivision; 18E.03, subdivisions 2, 4, 6, and 7; 18E.04, by adding a subdivision; and 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18C.211, subdivision 3; 18C.215, subdivision 3; 18E.03, subdivision 5; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; and 24.42."

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

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

S.F. No. 4: A bill for an act relating to retirement; providing an open appropriation for payment of state reimbursement for supplemental retirement benefits paid to volunteer firefighters; amending Minnesota Statutes 1992, section 424A.10, subdivision 3.

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

Page 1, after line 22, insert:

“Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to reimbursements payable March 15, 1993, and thereafter.”

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

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

S.F. No. 34: A bill for an act relating to student exchange programs; regulating student exchange programs; imposing a penalty; amending Minnesota Statutes 1992, section 299C.61, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 5A.

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

Page 3, line 22, delete “\$50” and insert “\$150” and after “each” insert “initial”

Page 3, line 23, after “registration” insert “and \$50 for each annual renewal”

Page 3, line 26, before the period, insert “and are added to the appropriation from which registration costs are paid”

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert “appropriating money;”

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

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred the following appointment as reported in the Journal for April 16, 1993:

TRANSPORTATION REGULATION BOARD

Lyle G. Mehrkens

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

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

Mr. Spear from the Committee on Crime Prevention, to which was referred the following appointment as reported in the Journal for January 19, 1993:

**DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER**

Michael S. Jordan

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

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1532, 968, 4 and 34 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 251 was read the second time.

MOTIONS AND RESOLUTIONS – CONTINUED

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1496: Mr. Samuelson, Mses. Berglin, Piper, Messrs. Day and Sams.

H.F. No. 350: Mr. Pogemiller, Mses. Krentz, Pappas, Messrs. Beckman and Janezich.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Beckman introduced—

S.F. No. 1621: A bill for an act relating to transportation; requiring school districts to allow senior citizens to ride school buses on a space-available basis; amending Minnesota Statutes 1992, section 123.39, subdivision 8b.

Referred to the Committee on Education.

MEMBERS EXCUSED

Mr. Murphy was excused from the Session of today. Messrs. Knutson, Lessard and Johnson, D.J. were excused from the Session of today from 8:30 to 9:00 a.m. Ms. Berglin, Messrs. Novak and Pogemiller were excused from the Session of today from 8:30 to 9:15 a.m. Mr. Laidig was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Cohen was excused from the Session of today from 12:00 noon to 12:30 p.m. Mr. Larson was excused from the Session of today at 12:40 p.m. Mr. Stumpf was excused from the Session of today from 1:15 to 1:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Wednesday, April 28, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FIFTH DAY

St. Paul, Minnesota, Wednesday, April 28, 1993

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

CALL OF THE SENATE

Ms. Flynn 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:

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 26, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	566	41	11:40 a.m. April 23	April 23
	976	42	11:42 a.m. April 23	April 23
	421	43	11:45 a.m. April 23	April 23
	381	44	9:58 a.m. April 23	April 23
	1527	45	10:02 a.m. April 23	April 23
	86	46	11:47 a.m. April 23	April 23
	1100	47	11:47 a.m. April 23	April 23

Sincerely,
Joan Anderson Growe
Secretary of State

April 26, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 5, 394 and 582.

Warmest regards,
Arne H. Carlson, Governor

April 27, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	654	48	2:58 p.m. April 26	April 26
	295	49	2:58 p.m. April 26	April 26
	226	50	3:00 p.m. April 26	April 26
5		51	3:02 p.m. April 26	April 26
394		52	3:05 p.m. April 26	April 26
582		53	3:08 p.m. April 26	April 26

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

House Concurrent Resolution No. 2: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1993

Mr. Moe, R.D. moved that House Concurrent Resolution No. 2 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

There has been appointed as such committee on the part of the House:

Battaglia, Osthoff, Trimble, Munger and Johnson, V.

Senate File No. 1570 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1993

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03; subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54;

257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

There has been appointed as such committee on the part of the House:

Greenfield; Anderson, R.; Simoneau; Lourey and Gruenes.

Senate File No. 1496 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1993

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. 1613: A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

Senate File No. 1613 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1993

Mr. Kroening moved that the Senate do not concur in the amendments by the House to S.F. No. 1613, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 218, 287 and 1749.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1993

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. 1620: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

Senate File No. 1620 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1993

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 1620, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

FIRST READING OF HOUSE BILLS

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

H.F. No. 218: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing a marine education center at the Minnesota zoological garden; authorizing issuance of bonds; appropriating money, with certain conditions.

Referred to the Committee on Finance.

H.F. No. 287: A bill for an act relating to waste management; encouraging local government units to use purchasing techniques to reduce waste and develop markets for recycled products; prohibiting burning and burial of harmful materials on farms; defining packaging; prohibiting disposal of unprocessed mixed municipal solid waste; extending the time to construct certain projects with grant money; authorizing counties to count waste reduction toward 1996 recycling goals; providing for county management and service contracts; requiring local government units to separately account for all revenue and spending related to waste management; requiring collectors of commercial waste to disclose where the waste is deposited; prohibiting fluorescent and high intensity discharge lamps in solid waste; clarifying that organized waste collection is one of several tools for cities and counties to use to collect waste; requiring reporting of tipping fee schedules at all waste facilities; requiring owners or operators of waste facilities that are publicly financed to account for charges and expenditures related to the facilities; regulating lamp recycling facilities; requiring electric utilities to encourage use of fluorescent and high intensity discharge lamps and to collect spent lamps; requiring a study of such lamps; extending by one year the solid waste field citation pilot program; providing for the postponement of certain waste collection fees; requiring a certain number of base units for homesteaded multiunit dwellings; clarifying the effects of the repeal of the metropolitan landfill siting process; providing for reports; amending Minnesota Statutes 1992, sections 16B.121; 16B.122, by adding a subdivision; 17.135; 115.071, subdivision 1; 115A.03, by adding a subdivision; 115A.034; 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.551, subdivisions 2a and 4; 115A.552, subdivision 2; 115A.557, subdivision 3; 115A.56; 115A.916; 115A.929; 115A.932, subdivision 1; 115A.94, subdivisions 5 and 6; 115A.941; 115A.9651; 115A.981; 116.78, by adding a subdivision; 116.92, subdivision 7; 216B.241, by adding a subdivision; 325E.1151, subdivision 1; 325E.12; 325E.125, subdivision 1; 325E.1251; 400.04, subdivisions 3 and 4; 400.08, subdivision 3; 473.149, subdivision 6; 473.803, subdivision 3; 473.8441, subdivision 5; 473.846; and 473.848, subdivisions 2 and 3; Laws 1991, chapter 347, article 1, sections 15, subdivisions 1 and 6; and 20; Laws 1992, chapter 593, article 1, section 55; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 271, now on General Orders.

H.F. No. 1749: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing state bonding; appropriating money; amending Minnesota Statutes, section 16B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124C; and 137.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred

S.F. No. 1320: A bill for an act relating to education; requiring changes in college preparation requirements.

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

Page 1, line 6, delete "SUBSTITUTIONS" and insert "CONSULTATION"

Page 1, line 7, delete from "shall" through page 1, line 15, to "shall" and insert "are requested to"

Page 1, line 17, after "for" insert "admission"

Page 1, line 20, delete "3" and insert "2"

Page 1, line 21, delete "and actions"

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

Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred

S.F. No. 153: A bill for an act relating to education; permitting independent school district No. 279, Osseo, to adopt an alternating eight-period schedule; exempting the district from certain statutory instructional time requirements through the 1995-1996 school year.

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

Page 2, after line 4, insert:

"(c) The district may adopt the eight-period schedule only upon school board resolution following a public hearing. Notice of the hearing must be published in the official newspaper at least one week in advance.

(d) Any student affected by the eight-period schedule is exempt from the enrollment options program deadline in Minnesota Statutes, section 120.062.

(e) The district, with the assistance of the department of education, shall conduct a study of the impact of the eight-period schedule on student performance. At minimum, the district and the department shall assess a sample group of students at any secondary school using the eight-period schedule and compare that group to a sample group of students at a secondary school not covered by paragraph (a). The district shall conduct a survey of students and parents on the effectiveness of the eight-period schedule. The department shall evaluate the financial impact of the eight-period schedule. The district shall make a preliminary report on the effectiveness of the eight-period schedule to the legislature by January 15, 1995, and a final report by January 15, 1997."

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

Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred

S.F. No. 511: A bill for an act relating to education; authorizing certain contracts with school board members; amending Minnesota Statutes 1992, section 471.88, by adding a subdivision.

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

Page 1, after line 5, insert:

“Section 1. Minnesota Statutes 1992, section 127.15, is amended to read:
127.15 [DEALING IN SCHOOL SUPPLIES.]

Except as provided for in sections 471.87 and 471.88, no teacher in the public schools, nor any state, county, town, city, or district school officer, including any superintendent of schools, or any member of any school board, nor any person connected with the public school system in any capacity, shall be interested directly or indirectly in the sale, proceeds, or profits of any book, apparatus, or furniture used, or to be used, in any school with which the person is connected in any official capacity. Any person violating any of the provisions of this section shall forfeit not less than \$50, nor more than \$200 for each such offense. This section shall not apply to a person who may have an interest in the sale of any book of which that person is the author. *Nothing in this section shall prohibit the spouse of an employee or officer covered by this section from contracting for the sale or lease of books, apparatus, furniture, or other supplies to be used in a school district with which the employee or officer is connected in any official capacity, as long as the employee's or officer's position does not involve approving contracts for supplies and the school board unanimously approves the transaction.*”

Page 1, line 19, after “employment” insert “while serving as a school board member”

Page 1, line 21, delete “This section is” and insert “Sections 1 and 2 are”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after “members” insert “and with the spouses of school district employees”

Page 1, line 4, delete “section” and insert “sections 127.15; and”

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

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

H.F. No. 129: A bill for an act relating to marriage dissolution; maintenance; applying child support enforcement actions to actions to enforce maintenance; expanding notice of rights of parties in dissolution or separation proceeding; requiring child support order to assign responsibility for child's medical coverage; clarifying visitation rights; requiring dissolution judgment or decree to provide notice about principal residence; amending Minnesota Statutes 1992, sections 214.101, subdivisions 1 and 4; 518.17, subdivision 3; 518.171, subdivision 1; 518.175, subdivision 6; 518.177; 518.55; 518.551,

subdivision 12; 518.583; 518.611, subdivision 2; and 518.641, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 214.101, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] If a licensing board receives an order from a court under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court to be in arrears in child support *or maintenance* payments, *or both*, the board shall, within 30 days of receipt of the court order, provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the court order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments *and maintenance*.

Sec. 2. Minnesota Statutes 1992, section 214.101, subdivision 4, is amended to read:

Subd. 4. [VERIFICATION OF PAYMENTS.] Before a board may terminate probation, remove a suspension, issue, or renew a license of a person who has been suspended or placed on probation under this section, it shall contact the court that referred the matter to the board to determine that the applicant is not in arrears for child support *or maintenance or both*. The board may not issue or renew a license until the applicant proves to the board's satisfaction that the applicant is current in support payments *and maintenance*.

Sec. 3. Minnesota Statutes 1992, section 257.022, is amended by adding a subdivision to read:

Subd. 4. [ESTABLISHMENT OF INTERFERENCE WITH PARENT AND CHILD RELATIONSHIP.] *The court may not deny visitation rights under this section based on allegations that the visitation rights would interfere with the relationship between the custodial parent and the child unless after a hearing the court determines by a preponderance of the evidence that interference would occur.*

Sec. 4. Minnesota Statutes 1992, section 257.022, is amended by adding a subdivision to read:

Subd. 5. [VISITATION PROCEEDING MAY NOT BE COMBINED WITH PROCEEDING UNDER CHAPTER 518B.] *Proceedings under this section may not be combined with a proceeding under chapter 518B.*

Sec. 5. Minnesota Statutes 1992, section 289A.50, subdivision 5, is amended to read:

Subd. 5. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT AND MAINTENANCE DEBTORS.] (a) If a court of this state finds that a person obligated to pay child support or *maintenance* is delinquent in making payments, the amount of child support or *maintenance* unpaid and owing, including attorney fees and costs incurred in ascertaining or collecting child support or *maintenance*, must be withheld from a refund due the person under chapter 290. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorney fees, and costs are owed or *the party to whom maintenance, attorney fees, and costs are owed* may petition the district or county court for an order providing for the withholding of the amount of child support, *maintenance*, attorney fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support or *maintenance* payments, attorney fees, and costs have not been paid when they were due.

(b) On order of the court, the commissioner shall withhold the money from the refund due to the person obligated to pay the child support or *maintenance*. The amount withheld shall be remitted to the public agency responsible for child support enforcement or to, the parent or guardian petitioning on behalf of the child, or *the party to whom maintenance is owed*, after any delinquent tax obligations of the taxpayer owed to the revenue department have been satisfied and after deduction of the fee prescribed in section 270A.07, subdivision 1. An amount received by the responsible public agency, or the petitioning parent or guardian, or *the party to whom maintenance is owed*, in excess of the amount of public assistance spent for the benefit of the child to be supported, or the amount of any support, *maintenance*, attorney fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support or *maintenance* payments.

(c) A petition filed under this subdivision remains in effect with respect to any refunds due under this section until the support ~~money~~ or *maintenance*, attorney fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support or *maintenance*, attorney fees, and costs. If a petition is filed under this subdivision concerning *child support* and a claim is made under chapter 270A with respect to the individual's refund and notices of both are received before the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time must be paid first. The amount of the refund remaining must then be applied to the other claim.

Sec. 6. Minnesota Statutes 1992, section 518.17, subdivision 3, is amended to read:

Subd. 3. [CUSTODY ORDER.] (a) Upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody

proceeding, the court shall make such further order as it deems just and proper concerning:

(1) the legal custody of the minor children of the parties which shall be sole or joint;

(2) their physical custody and residence; and

(3) their support. In determining custody, the court shall consider the best interests of each child and shall not prefer one parent over the other solely on the basis of the sex of the parent.

(b) The court shall grant the following rights to each of the parties, unless specific findings are made under paragraph (c), and every custody order must include the following notice to the parties:

NOTICE IS HEREBY GIVEN TO THE PARTIES:

Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

Each party shall keep the other party informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party.

In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

Each party has the right to reasonable access and telephone contact with the minor children.

(c) The court may waive all or part of the notice required under paragraph (b) if it finds that it is necessary to protect the welfare of a party or child section 518.68, subdivision 1. Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Each party shall keep the other party informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party. In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment. Each party has the right to reasonable access and telephone contact with the minor children.

Sec. 7. Minnesota Statutes 1992, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] *Every child support order must expressly assign or reserve the responsibility for maintaining medical insurance for the minor children and the division of uninsured medical and dental costs. Unless the obligee has comparable or better group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor on a group basis or through an employer or union. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.*

If the court finds that dependent health or dental insurance is not available to the obligor on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.

Sec. 8. Minnesota Statutes 1992, section 518.175, subdivision 6, is amended to read:

Subd. 6. [COMPENSATORY VISITATION.] If the court finds that ~~the noneustodial parent~~ *a person* has been wrongfully deprived of the duly established right to visitation, the court shall order the custodial parent to permit additional visits to compensate for the visitation of which the ~~noneustodial parent~~ *person* was deprived. Additional visits must be:

- (1) of the same type and duration as the wrongfully denied visit;
- (2) taken within one year after the wrongfully denied visit; and
- (3) at a time acceptable to the ~~noneustodial parent~~ *person deprived of visitation.*

Sec. 9. Minnesota Statutes 1992, section 518.177, is amended to read:

518.177 [NOTIFICATION REGARDING DEPRIVATION OF PARENTAL RIGHTS LAW.]

Every court order and judgment and decree concerning custody of or visitation with a minor child shall ~~restate the provisions of section 609.26~~ *contain the notice set out in section 518.68, subdivision 2.*

Sec. 10. Minnesota Statutes 1992, section 518.55, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF ADDRESS OR RESIDENCE CHANGE.] Every obligor shall notify the obligee and the public authority responsible for collection, if applicable, of a change of address or residence within 60 days of the address or residence change. Every order for support or maintenance must contain a conspicuous notice ~~of the requirements of this subdivision~~

complying with section 518.68, subdivision 2. The court may waive or modify the requirements of this subdivision by order if necessary to protect the obligor from contact by the obligee.

Sec. 11. Minnesota Statutes 1992, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 and the obligor is in arrears in court-ordered child support or maintenance payments or both, the court may direct the licensing board to conduct a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

Sec. 12. Minnesota Statutes 1992, section 518.552, is amended by adding a subdivision to read:

Subd. 6. [DETERMINATION OF INCOME.] (a) *If a party is seeking maintenance, the parties shall timely serve and file documentation of earnings and income. When there is a prehearing conference, the court must receive the documentation of income at least ten days prior to the prehearing conference. Documentation of earnings and income includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if a party is self-employed. Documentation of earnings and income also includes a party's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment compensation statements, workers' compensation statements, and other documents evidencing income as received that provide verification of income over a longer period.*

(b) *If a party from whom maintenance is sought, who is under the jurisdiction of the court, does not appear at a court hearing after proper notice of the time and place of the hearing, the court shall set income for that party based on credible evidence before the court or in accordance with paragraph (c). Credible evidence may include documentation of current or recent income, testimony of the other party concerning recent earnings and income levels, and the party's wage reports filed with the department of jobs and training under section 268.121.*

(c) *If the court finds that a party from whom maintenance is sought is voluntarily unemployed or underemployed, a determination regarding maintenance may be made based on a determination of imputed income. A party is not considered voluntarily unemployed or underemployed upon a showing by the party that the unemployment or underemployment: (1) is temporary and will ultimately lead to an increase in income; or (2) represents a bona fide career change that outweighs the adverse effect of that party's diminished income. Imputed income means the estimated earning ability of a party based on the party's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the party's qualifications. If the court is unable to determine or estimate the earning ability of a party from whom maintenance is sought, the court may make a determination regarding maintenance based on full-time employment of 40 hours per week at the federal minimum wage or the Minnesota minimum*

wage, whichever is higher. If a party is physically or mentally incapacitated, it is presumed that the party is not voluntarily unemployed or underemployed.

Sec. 13. Minnesota Statutes 1992, section 518.583, is amended to read:

518.583 [NOTICE OF TAX EFFECT ON CAPITAL GAIN ON SALE OF PRINCIPAL RESIDENCE.]

If the parties to an action for dissolution own a principal residence, the court must make express findings of fact that the parties who are represented by an attorney have been advised as to the income tax laws respecting the capital gain tax, or that parties who are not represented by an attorney have been notified that income tax laws regarding the capital gain tax may apply to the sale of the residence. This includes, but is not limited to, the exclusion available on the sale of a principal residence for those over a certain age under section 421 of the Internal Revenue Code of 1986, or other applicable law. The order must expressly provide for the use of that exclusion unless the court otherwise orders. All judgment judgments and decrees involving a principal residence must include a the following notice to the parties that income tax laws regarding the capital gain tax may apply to the sale of the residence and that the parties may wish to consult with an attorney concerning the applicable laws: as a finding of fact or as an attachment:

"CAPITAL GAIN ON SALE OF PRINCIPAL RESIDENCE

Income tax laws regarding the capital gain tax may apply to the sale of the parties' principal residence and the parties may wish to consult with an attorney or tax advisor concerning the applicable laws. These laws may include, but are not limited to, the exclusion available on the sale of a principal residence for those over a certain age under section 121 of the Internal Revenue Code of 1986, or other applicable law."

Sec. 14. Minnesota Statutes 1992, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

- (1) the obligor is at least 30 days in arrears;
- (2) the obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;
- (3) within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard;
- (4) the obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and
- (5) the obligee serves on the public authority a copy of the notice of income

withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision *that complies with section 518.68, subdivision 2*. An order without this notice remains subject to this subdivision.

(f) Absent a court order to the contrary, if an arrearage exists at the time an order for ongoing support or maintenance would otherwise terminate, income withholding shall continue in effect in an amount equal to the former support or maintenance obligation plus an additional amount equal to 20 percent of the monthly child support obligation, until all arrears have been paid in full.

Sec. 15. Minnesota Statutes 1992, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair.

(b) *It is presumed that there has been a substantial change of circumstances under paragraph (a), clause (1), (2), or (4), and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.*

~~(b)~~ (c) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

- (ii) the excess employment is voluntary and not a condition of employment;
- (iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;
- (iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;
- (v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and
- (vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(d) On a motion for modification of child support or maintenance, if the court finds that the obligor has unjustifiably self-limited the obligor's income, the court may impute income.

(e) (e) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(f) (f) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(g) (g) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(h) (h) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 16. Minnesota Statutes 1992, section 518.641, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] An order for maintenance or child support shall provide for a biennial adjustment in the amount to be paid based on a change in the cost of living. An order that provides for a cost-of-living adjustment shall specify the cost-of-living index to be applied and the date on which the cost-of-living adjustment shall become effective. The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneap-

olis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. Cost-of-living increases under this section shall be compounded. The court may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made, for cases in which payment is made to the public authority. For cases in which payment is not made to the public authority, application for an adjustment may be made in any month but no application for an adjustment may be made sooner than two years after the date of the dissolution decree. A court may waive the requirement of the cost-of-living clause if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for maintenance or child support has a provision such as a step increase that has the effect of a cost-of-living clause. The court may waive a cost-of-living adjustment in a maintenance order, if the parties so agree in writing. The commissioner of human services may promulgate rules for child support adjustments under this section in accordance with the rulemaking provisions of chapter 14. *Notice of this statute must comply with section 518.68, subdivision 2.*

Sec. 17. [518.68] [REQUIRED NOTICES.]

Subdivision 1. [REQUIREMENT.] Every court order for judgment and decree that provides for child support, spousal maintenance, custody, or visitation must contain certain notices as set out in subdivision 2. The information in the notices must be concisely stated in plain language. The notices must be in clearly legible print, but may not exceed two pages. An order or judgment and decree without the notice remains subject to all statutes. The court may waive all or part of the notice required under this section if it finds it is necessary to protect the welfare of a party or child.

Subd. 2. [CONTENTS.] The required notices must be substantially as follows:

IMPORTANT NOTICE

1. PAYMENTS TO PUBLIC AGENCY

Pursuant to Minnesota Statutes, section 518.551, subdivision 1, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS—A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), pursuant to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

3. RULES OF SUPPORT, MAINTENANCE, VISITATION

(a) Payment of support or spousal maintenance is to be as ordered herein, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of rights of visitation is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(d) A party who remarries after dissolution and accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(e) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

4. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

5. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, sections 518.611 and 518.613, have been met. A copy of those sections is available from any district court clerk.

6. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, the person responsible to make support or maintenance payments shall notify the person entitled to receive the payment and the public authority responsible for collection, if applicable,

of a change of address or residence within 60 days of the address or residence change.

7. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index, unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518.641, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518.641, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

8. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091.

9. JUDGMENTS FOR UNPAID MAINTENANCE

A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes; section 548.091, are met. A copy of that section is available from any district court clerk.

10. TAX REFUNDS

If a person fails to make child support payments and becomes in arrears, the public agency responsible for child support enforcement will intercept the person's tax refunds to pay the child support debt. The public agency will submit a claim against federal income tax refunds and state income tax, property tax, or renter's credit and lottery winnings.

11. MEDICAL INSURANCE AND EXPENSES

The person responsible to pay support and the person's employer or union are ordered to provide medical and dental insurance and pay for uncovered expenses under the conditions of Minnesota Statutes, section 518.171, unless otherwise provided in this order or the statute. A copy of this statute is available from any district court clerk.

Subd. 3. [COPIES OF LAW AND FORMS.] The district court administrator shall make available at no charge copies of sections 518.17, 518.611, 518.613, 518.641, 548.091, and 609.26, and shall provide forms to request or contest a cost-of-living increase under section 518.641.

Sec. 18. Minnesota Statutes 1992, section 518B.01, subdivision 3, is amended to read:

Subd. 3. [COURT JURISDICTION.] An application for relief under this section may be filed in the court having jurisdiction over dissolution actions in the county of residence of either party, in the county which has a current or prior family court proceeding involving the parties or their minor children, or

in the county in which the alleged domestic abuse occurred. In a jurisdiction which utilizes referees in dissolution actions, the court or judge may refer actions under this section to a referee to take and report the evidence therein in the same manner and subject to the same limitations as is provided in section 518.13. Actions under this section shall be given docket priorities by the court.

Sec. 19. Minnesota Statutes 1992, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

- (1) restrain the abusing party from committing acts of domestic abuse;
- (2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;
- (3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and visitation shall in no way delay the issuance of an order for protection granting other reliefs provided for in this section;
- (4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;
- (5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;
- (6) order the abusing party to participate in treatment or counseling services;
- (7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;
- (8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;
- (9) order the abusing party to pay restitution to the petitioner;
- (10) *order the maintenance and continuance of all currently available insurance coverage without change in coverage or beneficiary designation;* and

(10) (11) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 20. Minnesota Statutes 1992, section 518B.01, subdivision 7, is amended to read:

Subd. 7. [TEMPORARY ORDER.] (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte temporary order for protection, pending a full hearing, and granting relief as the court deems proper, including an order:

- (1) restraining the abusing party from committing acts of domestic abuse;
- (2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court; and
- (3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment; and
- (4) *maintaining and continuing all currently available insurance coverage without change in coverage or beneficiary designation.*

(b) A finding by the court that there is a basis for issuing an ex parte temporary order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte temporary relief.

(c) An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days, except for good cause as provided under paragraph (d). A full hearing, as provided by this section, shall be set for not later than seven days from the issuance of the temporary order. The respondent

shall be served forthwith a copy of the ex parte order along with a copy of the petition and notice of the date set for the hearing.

(d) When service is made by published notice, as provided under subdivision 5, the petitioner may apply for an extension of the period of the ex parte order at the same time the petitioner files the affidavit required under that subdivision. The court may extend the ex parte temporary order for an additional period not to exceed 14 days. The respondent shall be served forthwith a copy of the modified ex parte order along with a copy of the notice of the new date set for the hearing.

Sec. 21. Minnesota Statutes 1992, section 518B.01, subdivision 9, is amended to read:

Subd. 9. [ASSISTANCE OF SHERIFF IN SERVICE OR EXECUTION.] When an order is issued under this section upon request of the petitioner, the court shall order the sheriff or constable to accompany the petitioner and assist in placing the petitioner in possession of the dwelling or residence, or otherwise assist in execution or service of the order of protection. *If the application for relief is brought in a county in which the respondent is not present, the sheriff shall forward the pleadings necessary for service upon the respondent to the sheriff of the county in which the respondent is present. This transmittal must be expedited to allow for timely service.*

Sec. 22. [REPEALER.]

Minnesota Statutes 1992, section 518.55, subdivisions 2 and 2a, are repealed."

Delete the title and insert:

"A bill for an act relating to the family; providing for suspension of a license for unpaid maintenance; clarifying certain language; modifying provisions for establishment of third-party visitation rights; permitting delinquent maintenance payments to be withheld from tax refunds; changing notices required in certain court orders; requiring certain terms in child support orders; providing for third-party compensatory visitation; requiring determination of income for maintenance; changing provisions relating to modification of maintenance or support; providing for jurisdiction of certain domestic abuse actions; providing for pleadings to be forwarded; authorizing additional relief; changing a deadline; amending Minnesota Statutes 1992, sections 214.101, subdivisions 1 and 4; 257.022, by adding subdivisions; 289A.50, subdivision 5; 518.17, subdivision 3; 518.171, subdivision 1; 518.175, subdivision 6; 518.177; 518.55, subdivision 3; 518.551, subdivision 12; 518.552, by adding a subdivision; 518.583; 518.611, subdivision 2; 518.64, subdivision 2; 518.641, subdivision 1; and 518B.01, subdivisions 3, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1992, section 518.55, subdivisions 2 and 2a."

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

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

S.F. No. 734: A bill for an act relating to local government; enabling local government units to obtain waivers of state rules and exemptions from enforcement of laws; providing grants to local government units to encourage

cooperation, achieve specified outcomes, and design service budget management models; creating a board of local government innovation and cooperation; appropriating money; amending Minnesota Statutes 1992, sections 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; and 465.87, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 465.

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

Page 2, line 20, delete “, the”

Page 2, line 21, delete “legislative auditor,”

Page 7, delete line 32

Page 8, line 18, delete everything after the period

Page 8, delete line 19

Page 11, line 30, delete “\$.…….” and insert “\$2,000,000”

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

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

S.F. No. 1419: A bill for an act relating to taxation; providing conditions and requirements for the issuance of public debt and for the financial obligations of authorities; exempting certain securities from registration requirements; amending certain property tax imposition disclosure provisions; providing an exemption from the mortgage registration tax; amending Minnesota Statutes 1992, sections 80A.15, subdivision 1; 275.065, subdivision 7; 275.60; 275.61; 287.04; 447.45, subdivision 2; and 501B.25.

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

Pages 1 to 5, delete section 1 and insert:

“Section 1. Minnesota Statutes 1992, section 80A.12, is amended by adding a subdivision to read:

Subd. 12. [PROHIBITION; NONRECOURSE LOANS.] No part of the offering proceeds resulting from the sale of bonds or similar interest-bearing securities issued by the United States, any state, any political subdivision of any state, or any corporate or other instrumentality of one or more of those entities may be loaned to a person on a nonrecourse basis. This prohibition does not apply to bonds or similar interest-bearing securities:

(1) exempt from registration under section 80A.15;

(2) rated in one of the top four letter rating categories by Fitch Investors Service, Inc., Standard and Poor's Corporation, or Moody's Investor Services, Inc.; or

(3) issued to provide housing facilities with respect to which low income tax credits are to be obtained.”

Page 6, line 6, before the period, insert “*if the bonds were issued before 1989*”

Pages 6 to 8, delete sections 3 to 5

Page 9, after line 7, insert:

“Sec. 5. [REPEALER.]

Minnesota Rules, part 2875.3532, is repealed.”

Page 9, line 9, delete “7” and insert “5”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete “exempting”

Page 1, delete lines 5 to 7

Page 1, line 8, delete “registration tax;”

Page 1, line 9, delete “80A.15, subdivision 1;” and insert “80A.12, by adding a subdivision;”

Page 1, line 10, delete “275.60; 275.61; 287.04;”

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

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

S.F. No. 1249: A bill for an act relating to the city of Saint Paul; authorizing the city to impose a sales tax.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 275.065, is amended by adding a subdivision to read:

Subd. 8. [HEARING.] Notwithstanding any other provision of law, Ramsey county, the city of St. Paul, and independent school district No. 625 are authorized to and shall hold their public hearing jointly. The hearing must be held on the second Tuesday of December each year. The advertisement required in subdivision 5a may be a joint advertisement. The hearing is otherwise subject to the requirements of this section.

Ramsey county is authorized to hold an additional hearing or hearings as provided under this section, provided that any additional hearings cannot conflict with the hearing dates of the other taxing districts. However, if Ramsey county elects not to hold such additional hearing or hearings, the joint hearing required by this subdivision must be held in a St. Paul location convenient to residents of Ramsey county.

For the levy proposed in 1993 and 1994 only, the city of St. Paul, Ramsey county, and independent school district No. 625 are not required to adopt their budget and levy at the public hearing under this subdivision, provided

that the amount of levy subsequently adopted for those years cannot be greater than the total amount set at the public hearing for each of the taxing districts.

Sec. 2. [383A.61] [JOINT PROPERTY TAX ADVISORY COMMITTEE.]

Subdivision 1. [CREATION.] There is created the joint property tax advisory committee.

Subd. 2. [MEMBERSHIP.] The membership of the committee consists of the mayor and three members of the city council of the city of St. Paul appointed by the city council president; the county manager and three members of the county board of Ramsey county appointed by the chair of the board; and the superintendent and three members of the board of education of independent school district No. 625 appointed by the chair of the board. The chair of the Ramsey county league of local governments shall be a nonvoting ex officio member. The committee shall be convened by the mayor of St. Paul, and at the first meeting, the chair for the first year will be determined by lot and thereafter, the chair will annually rotate amongst the mayor or designee, the superintendent or designee, and the county manager or designee.

Subd. 3. [DUTIES.] The committee is authorized to and shall meet from time to time to make appropriate recommendations for the efficient and effective use of property tax dollars raised by the jurisdictions for programs, buildings, and operations. In addition, the committee shall:

(1) identify trends and factors likely to be driving budget outcomes over the next five years with recommendations for how the jurisdictions should manage those trends and factors to increase efficiency and effectiveness;

(2) agree, by August 1 of each year, on the appropriate level of overall property tax levy for the three jurisdictions and publicly report such to the governing bodies of each jurisdiction for ratification or modification by resolution;

(3) plan for the joint truth-in-taxation hearings under section 1;

(4) identify, by December 31 of each year, areas of the budget to be targeted in the coming year for joint review to improve services or achieve efficiencies; and

(5) review and comment on all plans for tax increment financing districts proposed to be created within the territory included in the jurisdiction of the city, the county, or the school district.

In carrying out its duties, the committee shall consult with public employees of each jurisdiction and with other stakeholders of the city, county, and school district, as appropriate.

Subd. 4. [STAFF; FUNDING.] The committee must be staffed by employees as designated by each jurisdiction. The committee may also seek public or private funding from any source to assist its work and may utilize volunteer help as appropriate.

Subd. 5. [RECOGNITION OF INNOVATIVE EFFORTS BY LOCAL EMPLOYEES.] The committee may use public or private funding to recognize or reward efforts by local government employees to restructure service delivery to improve efficiency or achieve cost savings.

Sec. 3. [383A.62] [ELECTIONS DEPARTMENT MERGER.]

The city of St. Paul and Ramsey county may, by agreement subject to this section, provide for the merger of the city elections office with the county election office. The consolidation shall be set to begin at the beginning of a fiscal year. In the preceding fiscal year and each year thereafter the county shall provide a budget and levy a property tax for the merged office that will defray the costs of the services provided throughout the county by the merged office. The county shall succeed to the obligations of the city under any collective bargaining agreements in existence at the time of the merger. Nothing in this section or in an agreement for merger under this section shall diminish any rights defined in collective bargaining agreements. The merger must not occur until bargaining units representing affected employees have completed negotiations on post-merger terms and conditions of employment. The county shall succeed to the other obligations and to the real and personal property of the merged city offices.

Sec. 4. [CITY OF ST. PAUL; SALES TAX AUTHORIZED.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of St. Paul may, by resolution, impose an additional sales tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Sec. 5. [USE OF REVENUES.]

Revenues received from the tax authorized by section 4 may only be used by the city to pay the cost of collecting the tax, and to pay for the following projects or to secure or pay any principal, premium, or interest on bonds issued in accordance with sections 4 to 9 for the following projects:

(a) To pay all or a portion of the expenses to acquire, construct, equip, maintain, operate, or promote the expansion of the St. Paul civic center as developed by the Civic Center Expansion Task Force and related facilities, including but not limited to a tourist welcome center, parking, skyways, lighting, utilities, street facilities, and landscaping.

(b) To pay all or a portion of the expenses of the Downtown Cultural Corridor Economic Development Fund. The fund must be used to promote job creation and economic development in the downtown cultural corridor area consistent with the Capitol City Cultural Resources Commission recommendations required by Laws 1992, chapter 550. The city may require matching money for Downtown Cultural Corridor Economic Development Fund projects. Matching money may include money from the general fund or a special fund of the city, money paid or repaid to the city from the proceeds of a grant that the city received from the federal government, a profit or nonprofit corporation, or another entity or individual.

(c) To pay all or a portion of the expenses of the project in St. Paul known as the Neighborhood Revitalization Program. Authorized expenses include commercial and residential housing, revitalization, including acquisition of commercial, residential, and vacant properties, new building construction, existing building rehabilitation, facade improvements, and relocation costs of occupants from all structures acquired, and any other acquisition or betterment costs. For purposes of this section, "Neighborhood Revitalization Program" means commercial and residential housing revitalization, rehabil-

itation, and preservation identified by the community through a process approved by the city council. The city may require matching money for Neighborhood Revitalization Program projects. Matching money may include money from the general fund or a special fund of the city, money paid or repaid to the city from the proceeds of a grant that the city received from the federal government, a profit or nonprofit corporation, or another entity or individual. For purposes of this section the terms "acquisition" and "betterment" have the meaning given them in Minnesota Statutes, section 475.51.

Sec. 6. [BONDS.]

The city may issue general obligation bonds of the city to finance all or a portion of the cost for projects authorized in section 5, paragraph (a). The debt represented by the bonds shall not be included in computing any debt limitations applicable to the city. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under section 4. The bonds may be issued in one or more series and sold without election on the question of issuance of the bonds or a property tax to pay them. Except as otherwise provided in sections 4 to 9, the bonds must be issued, sold, and secured in the manner provided in Minnesota Statutes, chapter 475.

Sec. 7. [ENFORCEMENT; COLLECTION.]

A sales tax imposed under section 4 may be reported and paid to the commissioner of revenue with the state sales tax, and be subject to the same penalties, interest, and enforcement provisions imposed under Minnesota Statutes, chapters 289A and 297A. If the commissioner of revenue enters into appropriate agreements with the city to provide for collection of these taxes by the state on behalf of the city, the commissioner shall charge the city a reasonable fee for its collection from the proceeds of any taxes to ensure that no state funds are expended for the collection of these taxes. The proceeds of the tax, less the cost of collection, shall be remitted monthly to the city. By July 1, 1993, the commissioner of revenue shall provide the city an estimate of the cost of collection.

Sec. 8. [EXPIRATION OF TAXING AUTHORITY.]

The authority granted by section 4 to the city to impose a sales tax shall expire at the time of the earliest of the following occurrences:

- (1) when the principal and interest on any bonds or other obligations issued to finance projects authorized in section 5, paragraph (a), have been paid;
- (2) when a period of 20 years has elapsed since the date of initial imposition of the tax under section 4; or
- (3) at an earlier time as the city shall, by ordinance, determine. Any funds remaining after completion of projects approved under section 5, paragraph (a), and retirement or redemption of any bonds or other obligations may be placed in the general fund of the city.

Sec. 9. [DISTRIBUTION OF REVENUES.]

Fifty percent of the revenues authorized under section 5 must be used for Neighborhood Revitalization Program projects under section 5, paragraph (c), in St. Paul neighborhoods.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment and without local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, clause (a).

Sections 4 to 9 are effective the day following final enactment, and after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3, with respect to those sections. If the St. Paul city council intends to exercise the authority provided by sections 4 to 9, it shall pass a resolution stating the fact before July 1, 1993."

Delete the title and insert:

"A bill for an act relating to the city of St. Paul, Ramsey county, and independent school district No. 625; creating a joint property tax advisory committee; authorizing a merger of the city and county elections offices; authorizing the city to impose a sales tax and providing for the use of the proceeds of the tax; authorizing the city to issue bonds; amending Minnesota Statutes 1992, section 275.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 383A."

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

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

S.F. No. 1487: A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 462A.221, by adding subdivisions; 462A.222, subdivision 3; 474A.047, subdivision 1; and 474A.061, subdivision 2a.

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

Page 4, line 32, strike "one person" and insert "1.5 persons"

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

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

S.F. No. 1153: A bill for an act relating to Aitkin county; permitting a local liquor and restaurant tax.

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

Page 1, delete lines 22 to 24

Page 2, delete lines 1 to 22 and insert:

"Subd. 3. [REFERENDUM.] *If the governing body of Aitkin county intends to impose the tax authorized by this act, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a special or general election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be*

presented at the election. The referendum must be held at a special or general election before December 1, 1993."

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

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

S.F. No. 1234: A bill for an act relating to Cook county; providing for the imposition of a sales tax and motor vehicle excise tax on sales transactions in Cook county; providing for the use of the sales tax revenues; authorizing the issuance of bonds to finance the expansion of and improvements to the North Shore hospital.

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

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

S.F. No. 1290: A bill for an act relating to local government; permitting the cities of Bloomington, Edina, Richfield, Eden Prairie, and Minnetonka to establish a transportation demand management program.

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

Delete everything after the enacting clause and insert:

"Section 1. [BLOOMINGTON; RICHFIELD; EDINA; EDEN PRAIRIE; MINNETONKA; MAPLE GROVE; PLYMOUTH; TRANSPORTATION DEMAND MANAGEMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "transportation demand management" means the application of strategies involving both incentives and disincentives designed to redirect travel to use high occupancy modes or away from peak periods of travel so as to reduce the number of vehicle trips and accidents at critical times.

Subd. 2. [TDM PROGRAMS.] The city councils of the cities of Bloomington, Edina, Richfield, Eden Prairie, Minnetonka, Maple Grove, and Plymouth may, in consultation with the metropolitan council, establish by ordinance transportation demand management programs applicable to employers and developers or owners of nonresidential buildings in each of their cities to mitigate existing and future traffic congestion in the cities and to preserve the environment by reducing air and noise pollution and energy consumption. Each of the cities may charge reasonable fees to employers and developers or owners of nonresidential buildings to administer the implementation of transportation demand management programs and impose civil penalties for violations of the ordinance. The fees must not exceed \$500 annually per employer.

Subd. 3. [CAPITOL COMPLEX.] The department of administration shall, in consultation with the regional transit board, the metropolitan council, department of transportation, capitol area architectural board, and the city of St. Paul, develop a transportation demand management plan for the capitol

complex. The department shall report the plan to the legislature by February 1, 1994.

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 2, is effective with respect to any of the cities of Bloomington, Edina, Richfield, Eden Prairie, Minnetonka, Maple Grove and Plymouth the day after compliance by that city with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title as follows:

Page 1, line 3, delete "and"

Page 1, line 4, after "Minnetonka" insert ", Maple Grove, and Plymouth"

Page 1, line 5, before the period insert "; providing for a transportation demand management plan for the capitol complex"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1320, 153, 511, 734, 1419, 1249, 1487, 1153, 1234 and 1290 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 129 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Cohen moved that the name of Mr. Mondale be added as a co-author to S.F. No. 615. The motion prevailed.

Mr. Marty moved that the name of Mr. Mondale be added as a co-author to S.F. No. 695. The motion prevailed.

Mr. Chandler moved that the name of Mr. Mondale be added as a co-author to S.F. No. 785. The motion prevailed.

Ms. Hanson moved that the name of Mr. Langseth be added as a co-author to S.F. No. 796. The motion prevailed.

Mr. Luther moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1279. The motion prevailed.

Mr. Luther moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1371. The motion prevailed.

Ms. Wiener moved that the name of Mr. Mondale be added as a co-author to S.F. No. 1597. The motion prevailed.

Mr. Luther moved that H.F. No. 125 be withdrawn from the Committee on Education and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 153, now on General Orders. The motion prevailed.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 2 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 2: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

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

The House of Representatives and the Senate shall meet in joint convention on Wednesday, April 28, 1993, at 12 o'clock, noon in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1075 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1075: A bill for an act relating to civil actions; including arbitration awards under the collateral source statute; amending Minnesota Statutes 1992, section 548.36, subdivisions 1, 2, 3, and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1122 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1122: A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 977 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 977: A bill for an act relating to retirement; Minneapolis employees retirement fund; permitting purchase of service credit by a certain member.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 902 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 902: A bill for an act relating to motor carriers; defining armored

carrier service; requiring any person providing armored carrier service to obtain an armored carrier permit from the transportation regulation board; providing for conversion of existing operating authority; amending Minnesota Statutes 1992, sections 221.011, by adding subdivisions; 221.072, subdivision 2; 221.111; 221.121, by adding a subdivision; 221.131, by adding a subdivision; 221.141, by adding a subdivision; 221.161, subdivision 1; and 221.185, subdivisions 1, 2 and 4; proposing coding for new law in Minnesota Statutes, chapter 221.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 237 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 237: A bill for an act relating to agriculture; directing the commissioner of agriculture to promote farming of cervidae and maintain a data base on research and information; declaring farmed cervidae to be livestock and raising farmed cervidae to be an agricultural pursuit; prohibiting owners from allowing farmed cervidae to run at large; prescribing conditions for slaughter and sale of farmed cervidae as meat, fencing requirements, disease inspection, importation, and transportation requirements; requiring identification; prescribing conditions for farming cervidae; amending Minnesota Statutes 1992, sections 17A.03, subdivision 5; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; and 35.821, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Belanger	Berg	Betzold	Cohen
Anderson	Benson, D.D.	Berglin	Chandler	Day
Beckman	Benson, J.E.	Bertram	Chmielewski	Dille

Finn	Knutson	McGowan	Olson	Spear
Flynn	Krentz	Merriam	Pariseau	Stevens
Frederickson	Kroening	Metzen	Piper	Stumpf
Hanson	Laidig	Moe, R.D.	Price	Terwilliger
Hottinger	Langseth	Mondale	Ranum	Vickerman
Johnson, D.E.	Larson	Morse	Reichgott	Wiener
Johnson, D.J.	Lesewski	Murphy	Riveness	
Johnson, J.B.	Lessard	Neuville	Runbeck	
Johnston	Luther	Novak	Sams	
Kiscaden	Marty	Oliver	Samuelson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1105 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1105: A bill for an act relating to health; extending the expiration date of certain advisory councils and committees; modifying provisions relating to lead abatement; changing regulation provisions for hotels, resorts, restaurants, and manufactured homes; providing penalties; amending Minnesota Statutes 1992, sections 15.059, subdivision 5; 144.73, subdivision 3; 144.871, subdivisions 2, 6, 7a, and by adding subdivisions; 144.872, subdivision 2; 144.873, subdivision 2; 144.874, subdivisions 1, 3, 4, and 6; 144.878, subdivisions 2 and 5; 157.01, subdivision 1; 157.03; 157.08; 157.081, subdivision 1; 157.09; 157.12; 157.14; 327.10; 327.11; 327.16, subdivision 5; 327.20, subdivision 1; 327.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; and 157; repealing Minnesota Statutes 1992, sections 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; and 157.05, subdivisions 2 and 3.

Mr. Betzold moved to amend S.F. No. 1105 as follows:

Page 17, after line 17, insert:

“Sec. 26. Minnesota Statutes 1992, section 245.97, subdivision 6, is amended to read:

Subd. 6. [TERMS, COMPENSATION, REMOVAL AND EXPIRATION.] The membership terms, compensation, and removal of members of the committee and the filling of membership vacancies are governed by section 15.0575. The ombudsman committee and the medical review subcommittee expire on June 30, 1993 1994.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1105 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1178 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1178: A bill for an act relating to agriculture; declaring llamas and ratitae to be livestock and raising llamas and ratitae to be agricultural pursuits; amending Minnesota Statutes 1992, sections 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; and 31B.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Mr. Luther moved that S.F. No. 340 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

S.F. No. 340: A bill for an act relating to the military; entering into the National Guard mutual assistance counterdrug activities compact; proposing coding for new law in Minnesota Statutes, chapter 192.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Mr. Luther moved that H.F. No. 522 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 522: A bill for an act relating to utilities; clarifying the specificity needed for public service corporation easements; amending Minnesota Statutes 1992, section 300.045.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Mr. Luther moved that H.F. No. 1428 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 1428: A bill for an act relating to occupations and professions; dentistry; modifying a certain exception to the licensing requirements; establishing faculty, resident dentist, and specialty licenses; modifying a certain ground for disciplinary action; amending Minnesota Statutes 1992, sections 150A.01, by adding subdivisions; 150A.05, subdivision 2; 150A.06, by adding subdivisions; and 150A.08, subdivision 1.

Mr. Solon moved that the amendment made to H.F. No. 1428 by the Committee on Rules and Administration in the report adopted April 21, 1993, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1428 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Mr. Luther moved that S.F. No. 532 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

S.F. No. 532: A bill for an act relating to courts; conciliation court; adopting one body of law to govern conciliation courts; amending Minnesota Statutes 1992, sections 481.02, subdivision 3; and 549.09, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 491A; repealing Minnesota Statutes 1992, sections 487.30; 488A.12; 488A.13; 488A.14; 488A.15; 488A.16; 488A.17; 488A.29; 488A.30; 488A.31; 488A.32; 488A.33; and 488A.34; and Laws 1992, chapter 591, section 21.

Mr. Finn moved to amend S.F. No. 532 as follows:

Page 8, line 31, delete "*part*" and insert "*party*"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 532 as follows:

Page 4, line 11, after "court" insert "*or in a district court action removed from conciliation court,*"

Page 9, line 12, delete everything after the period

Page 9, delete line 13 and insert "*This subdivision also applies to appearances in district court by a corporation or limited liability company with five or fewer shareholders or members if the action was removed from*"

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 532 as follows:

Page 5, line 20, before the semicolon, insert "*, except for actions involving*

debts owed to state agencies or political subdivisions that arise under those chapters”

The motion prevailed. So the amendment was adopted.

Mr. Finn then moved to amend S.F. No. 532 as follows:

Page 8, line 8, after the period, insert *“The claim and summons must include a conspicuous notice in at least 10-point bold type regarding the consequences of a failure to appear at a conciliation court hearing.”*

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend S.F. No. 532 as follows:

Page 4, line 27, delete *“\$5,000”* and insert *“\$6,000”*

Page 5, line 28, delete *“\$5,000”* and insert *“the jurisdictional limit under subdivision 3”*

Page 14, after line 25, insert:

“Sec. 6. [CONCILIATION COURT JURISDICTION AMOUNTS.]

Subdivision. 1. [INCREASE IN LIMITS.] The conciliation court jurisdictional limit contained in section 2, subdivision 3, increases to \$7,500 effective July 1, 1994.

Subd. 2. [REVISOR INSTRUCTION.] The revisor of statutes shall make the change in the jurisdictional amount provided in subdivision 1 in Minnesota Statutes 1994, and subsequent editions of the statutes.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert *“increasing the jurisdictional limit;”*

Ms. Kiscaden moved to amend the Kelly amendment to S.F. No. 532 as follows:

Page 1, delete lines 2 to 4

Page 1, line 9, delete *“\$7,500”* and insert *“\$6,000”* and delete *“1994”* and insert *“1995, and \$7,500 effective July 1, 1996”*

Page 1, line 12, delete *“1994”* and insert *“1996”*

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

The question recurred on the Kelly amendment, as amended.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Langseth	Oliver	Solon
Beckman	Frederickson	Larson	Olson	Spear
Belanger	Hanson	Lesewski	Pappas	Stevens
Benson, D.D.	Johnson, D.J.	Lessard	Pariseau	Stumpf
Benson, J.E.	Johnston	Luther	Pogemiller	Terwilliger
Berg	Kelly	McGowan	Riveness	Vickerman
Bertram	Kiscaden	Metzen	Robertson	
Chmielewski	Krentz	Mondake	Runbeck	
Cohen	Kroening	Neuville	Sams	
Day	Laidig	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Finn	Johnson, J.B.	Moe, R.D.	Price
Berglin	Flynn	Knutson	Morse	Ranum
Betzold	Hottinger	Marty	Murphy	Reichgott
Chandler	Johnson, D.E.	Merriam	Piper	Wiener

The motion prevailed. So the Kelly amendment, as amended, was adopted.

Mr. Luther moved to amend S.F. No. 532 as follows:

Page 10, line 1, delete "may" and insert "shall"

Page 10, line 2, delete "court" and insert "opposing party"

Page 10, line 4, delete "must" and insert "may" and delete "unless the court finds that"

Page 10, line 5, delete "the appeal was brought in bad faith" and insert "if the court, in its discretion, determines that a hardship exists and that the case was removed from conciliation court in good faith"

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend S.F. No. 532 as follows:

Page 11, line 23, after "court" insert "if the amount of money or property that is the subject matter of the claim does not exceed \$3,000"

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

Mr. Finn moved to amend S.F. No. 532 as follows:

Page 4, line 23, before "Except" insert "(a)"

Page 4, line 27, delete the period and insert ", or \$3,000 if the claim involves a consumer credit transaction. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(b)"

Page 5, line 28, delete "\$5,000" and insert "the jurisdictional limit under subdivision 3"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 532 as follows:

Page 14, after line 25, insert:

"Sec. 6. [550.011] [JUDGMENT DEBTOR DISCLOSURE.]

Unless the parties have otherwise agreed, if a judgment has been docketed

in district court for at least 30 days, and the judgment is not satisfied, the district court in the county in which the judgment originated shall, upon request of the judgment creditor, order the judgment debtor to mail by certified mail to the judgment creditor information as to the nature, amount, identity, and locations of all the debtor's assets, liabilities, and personal earnings. The information must be provided on a form prescribed by the supreme court, and the information shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The order must contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for civil contempt of court. Cash bail posted as a result of being cited for civil contempt of court order under this section may be ordered payable to the creditor to satisfy the judgment, either partially or fully."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville then moved to amend S.F. No. 532 as follows:

Page 9, line 28, delete "\$250" and insert "\$50"

Page 10, lines 2 and 4, delete "\$250" and insert "\$50"

The motion prevailed. So the amendment was adopted.

S.F. No. 532 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kiscaden	Murphy	Riveness
Anderson	Flynn	Knutson	Neuville	Sams
Benson, D.D.	Frederickson	Kroening	Oliver	Solon
Benson, J.E.	Hanson	Langseth	Pariseau	Spear
Berglin	Hottinger	Marty	Piper	Stevens
Betzold	Janezich	McGowan	Pogemiller	Stumpf
Chandler	Johnson, D.E.	Moe, R.D.	Price	Terwilliger
Day	Johnson, D.J.	Mondale	Ranum	Wiener
Dille	Johnson, J.B.	Morse	Reichgott	

Those who voted in the negative were:

Beckman	Cohen	Larson	Metzen	Runbeck
Belanger	Johnston	Lesewski	Novak	Samuelson
Berg	Kelly	Lessard	Olson	Vickerman
Bertram	Krentz	Luther	Pappas	
Chmielewski	Laidig	Merriam	Robertson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 223 and 791. The motion prevailed.

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

S.F. No. 657: A bill for an act relating to compulsive gambling; providing for a compulsive gambling surtax; establishing a compulsive gambling account; requesting contributions from the Minnesota Indian gaming association for compulsive gambling programs; appropriating money; amending Minnesota Statutes 1992, sections 245.98, by adding a subdivision; 349.212, subdivision 2, and by adding a subdivision.

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

Pages 1 and 2, delete sections 2 and 3

Page 3, line 9, delete “, 3, and 5” and insert “and 3” and delete “4” and insert “2”

Page 3, line 10, delete “Section 2 is”

Page 3, delete lines 11 to 13

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before “establishing”

Page 1, line 8, delete everything after the first “subdivision” and insert a period

Page 1, delete line 9

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

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

S.F. No. 223: A bill for an act relating to human services; providing a salary increase for development achievement center employees; amending Minnesota Statutes 1992, section 252.24, 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 1992, section 245.465, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL AND COMMUNITY SUPPORT PROGRAMS; 1992; SALARY INCREASE ADJUSTMENTS.] In establishing, operating, or contracting for the provision of programs licensed under Minnesota Rules,

parts 9520.0500 to 9520.0690 and programs funded under Minnesota Rules, parts 9535.0100 to 9535.1600, for the fiscal year beginning July 1, 1991, a county board's contract must reflect increased salaries by multiplying the total salaries, payroll taxes, and fringe benefits related to personnel below top management by three percent. This increase shall remain in the base for purposes of wage determination in future contract years. In establishing, operating, or contracting for the provision of programs licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, a county board shall contract at rates to reflect increased salaries of five percent for the fiscal year ending June 30, 1994. The increased rate must be used for salaries for personnel below top management earning less than \$25,000 per year. The state shall provide counties with proper reimbursement to cover these increased costs. County boards shall verify in writing to the commissioner that each program has complied with this requirement. If a county board determines that a program has not complied with this requirement for a specific contract period, the county board shall reduce the program's payment rates for the next contract period to reflect the amount of money not spent appropriately. The commissioner shall modify reporting requirements for programs and counties as necessary to monitor compliance with this provision.

Sec. 2. Minnesota Statutes 1992, section 252.24, is amended by adding a subdivision to read:

Subd. 6. [REIMBURSEMENT INCREASE FOR DAY TRAINING AND HABILITATION SERVICES.] The commissioner of human services shall increase reimbursement rates for day training and habilitation services by five percent for the fiscal year ending June 30, 1994. County boards shall adjust their contracts with vendors of day training and habilitation services to reflect the increased reimbursement rates. Vendors shall increase salaries of all personnel below top management earning less than \$25,000 per year by at least five percent for the fiscal year ending June 30, 1994. Vendors shall provide to county boards with which they contract, written documentation that the requirements of this subdivision have been met. County boards shall verify in writing to the commissioner that each vendor has complied with this requirement. If a county board determines that a vendor has not complied with this requirement, the county board shall reduce the vendor's payment rates for the next contract period to reflect the amount of money not spent appropriately.

Sec. 3. Minnesota Statutes 1992, section 252.275, is amended by adding a subdivision to read:

Subd. 11. [SEMI-INDEPENDENT LIVING SERVICES; SALARY ADJUSTMENTS.] For the fiscal year ending June 30, 1994, the commissioner of human services shall increase county allocations for semi-independent living services by an amount sufficient to enable private vendors of these services to increase the combined wages and payroll taxes by an average five percent for direct care workers meeting the criteria in this section. Counties shall adjust contract rates as necessary to provide vendors with funds to implement this increase.

Private vendors shall use all revenue received to increase the wages of personnel below top management whose hourly rate is equal to or less than \$12 per hour on June 30, 1993. Increases in payroll taxes which directly

result from wage increases provided under this section may be considered as a cost of the total wage increase.

Each vendor shall disclose the following information in writing to their employees and to the county with which it contracts:

- (1) the total amount of increased revenue received as a result of this section;
- (2) the job classifications for which increases were granted;
- (3) the number of persons in each job classification;
- (4) the total amount of funds applied to increases in wages for each job classification; and
- (5) the total amount of funds applied to increases in payroll taxes directly resulting from increases in wages under this section.

County boards shall verify in writing to the commissioner that each vendor has complied with this section. If a county board determines that a vendor has not complied with the requirements of this section, the county board shall reduce the vendor's payment rates for the next contract period to reflect the amount of money not spent appropriately. The commissioner shall modify reporting requirements for vendors and counties as necessary to monitor compliance with this section.

Sec. 4. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19d. [PERSONAL CARE ASSISTANT; SALARY ADJUSTMENT.] Notwithstanding subdivision 19b, the commissioner of human services shall provide a five percent cost-of-living adjustment for home care services in the fiscal year ending June 30, 1994.

Sec. 5. Minnesota Statutes 1992, section 256B.491, subdivision 3, is amended to read:

Subd. 3. [WAIVERED SERVICES; SALARY ADJUSTMENTS.] For the fiscal year beginning July 1, 1991, the commissioner of human services shall increase the statewide reimbursement rates for home and community-based waived services for persons with developmental disabilities to reflect a three percent increase in salaries, payroll taxes, and fringe benefits of personnel below top management employed by agencies under contract with the county board to provide these services. The specific rate increase made available to county boards shall be calculated based on the estimated portion of the fiscal year 1991 reimbursement rate that is attributable to these costs. For the fiscal year ending June 30, 1994, the commissioner of human services shall increase home- and community-based waiver services rates for persons with mental retardation or related conditions to reflect an average statewide increase of five percent in combined wages and payroll taxes of personnel meeting the criteria and providing the services delineated in this section. The five percent increase to the combined cost of wages and payroll taxes shall apply to all reimbursable waived services provided under contract with private vendors, except for day training and habilitation services and adaptive modifications and equipment.

The specific rate increase made available to each county shall be based on the allocation rates available to that county as of June 30, 1993. Counties shall apply the additional funds made available under this section propor-

tionately to their contracts with private vendors for the provision of home- and community-based services listed in this section. Private vendors shall use all increase revenues resulting from this section to increase wages for personnel below top management earning less than \$12 per hour. In all cases base entry wages of direct service staff which fall under this threshold must be increased by at least five percent. Increases in payroll taxes which directly result from wage increases provided under this section may be considered as a cost of the total wage increase.

Each vendor shall disclose the following information in writing to their employees and to the county with which it contracts:

- (1) the total amount of increased revenue received as a result of this section;*
- (2) the job classifications for which increases were granted;*
- (3) the number of persons in each job classification;*
- (4) the total amount of funds applied to increases in wages for each job classification; and*
- (5) the total amount of funds applied to increases in payroll taxes directly resulting from increases in wages under this section.*

County boards shall verify in writing to the commissioner that each waived service provider has complied with this requirement. If a county board determines that a waived service provider has not complied with this requirement for a specific contract period, the county board shall reduce the provider's payment rates for the next contract period to reflect the amount of money not spent appropriately. The commissioner shall modify reporting requirements for vendors and counties as necessary to monitor compliance with this provision.

Sec. 6. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to human services; requiring increases in rates for salaries of employees of intermediate care facilities for persons with mental retardation, home- and community-based waived services, and semi-independent living services programs; amending Minnesota Statutes 1992, sections 245.465, subdivision 2; 252.24, by adding a subdivision; 252.275, by adding a subdivision; 256B.0625, by adding a subdivision; and 256B.491, subdivision 3."

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 837: A bill for an act relating to traffic regulations; authorizing cities of the second class to establish programs for citizen enforcement of laws

governing parking spaces for persons with disabilities; amending Minnesota Statutes 1992, section 169.346, subdivision 4.

Reports the same back with the recommendation that the report from the Committee on Transportation and Public Transit, shown in the Journal for April 27, 1993, be amended to read:

“the bill do pass”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 908: A bill for an act relating to agriculture; changing eligibility and participation requirements for certain rural finance authority programs; authorizing an application fee; appropriating money; amending Minnesota Statutes 1992, sections 41B.03, subdivision 1, and by adding a subdivision; 41B.039, subdivision 2; and 41B.042, subdivision 4.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 27, 1993, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1101: A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing cease and desist orders; providing for penalties; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; and 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214.

Reports the same back with the recommendation that the report from the Committee on Health Care, shown in the Journal for April 27, 1993, be adopted; that committee recommendation being:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 919: A bill for an act relating to crime; sentencing; clarifying terms relating to the sentencing of criminal offenders; making technical corrections to the new felony sentencing laws; revising current laws relating to mandatory supervised release of sex offenders; revising certain provisions of the challenge incarceration program; amending Minnesota Statutes 1992, sections 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 169.121, subdivision 3a; 238.16, subdivision 2; 244.01, subdivision

8, and by adding a subdivision; 244.05, subdivision 1b; 244.065; 244.101; 244.14, subdivision 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.172, subdivisions 1 and 2; 244.171, subdivision 4; 299A.35, subdivision 2; 609.0341, subdivision 1; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivision 1; 609.1352, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.196; 609.229, subdivision 3; 609.346, subdivisions 2, 2b, and 5; 609.3461, subdivision 2; 609.582, subdivision 1a; 609.891, subdivision 2; 611A.06, subdivision 1; and 629.291, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Crime Prevention, shown in the Journal for April 23, 1993, be amended to read:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Metropolitan and Local Government”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1363: A bill for an act relating to natural resources; amending requirements to replace wetlands; adding exemptions; increasing wetland acreage in certain counties; extending interim rules; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; and 103G.2369, subdivision 2, and by adding a subdivision; Laws 1991, chapter 354, article 7, section 2; proposing coding for new law in Minnesota Statutes, chapter 103G.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 20, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 296: A bill for an act relating to human services; requiring parent's social security numbers at birth; modifying various child support provisions; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 144.215, by adding a subdivision; 518.551, subdivisions 5 and 7; 518.611, subdivisions 1, 2, 4, 6, and by adding a subdivision; and 518.613, subdivisions 2, 3, and 4.

Reports the same back with the recommendation that the report from the Committee on Family Services, shown in the Journal for April 26, 1993, be amended to read:

“the bill do pass”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 114: A bill for an act relating to state departments; abolishing department of public safety and transferring certain responsibilities and personnel to other agencies; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 13.99, subdivision 82; 15.01; 15A.081, subdivision 1; 16B.14; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 45.027, subdivisions 1, 2, 5, 6, 7, and 8; 45.028, subdivision 1; 65B.28, subdivision 2; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 214.04, subdivision 1; 216C.19, subdivision 1; 218.031, subdivision 2; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.03, subdivision 1; 297C.10, subdivisions 1 and 2; 297C.12; 297C.13, subdivision 1; 299A.02; 299A.30, subdivision 1; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivisions 1, 2, and 4; 299C.01, subdivisions 2 and 4; 299C.06; 299C.13; 299C.50; 299F.01, subdivision 2; 299L.01, subdivision 1; 340A.201; 347.51, subdivision 2a; 349.151, subdivision 2; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; 299A.01; 299C.01, subdivision 1; and 299F.01, subdivisions 1 and 3; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7.

Reports the same back with the recommendation that the report from the Committee on Crime Prevention, shown in the Journal for April 26, 1993, be adopted; that committee recommendation being:

“the bill be re-referred to the Committee on Finance without recommendation”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1135: A bill for an act relating to insurance; establishing and regulating the life and health guaranty association; providing for its powers and duties; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1992, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

Reports the same back with the recommendation that the report from the Committee on Commerce and Consumer Protection, shown in the Journal for April 21, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 771: A bill for an act relating to motor fuels; changing the formula for payments made to producers of ethanol; increasing oxygenate level requirements for gasoline; authorizing the pollution control agency to contract

to expedite permit process; eliminating certain LGA/HACA offsets for tax increment financing districts; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 116.07, subdivision 4a; 239.791, subdivisions 1 and 2; and 273.1399, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 27, 1993, be adopted; that committee recommendation being:

“the bill be amended 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. Berglin from the Committee on Health Care, to which was referred

S.F. No. 791: A bill for an act relating to human services; making changes to medical assistance payments for home care services; requiring a preadmission screening for Medicaid certified nursing homes or boarding homes; allowing residential care services under alternate care funding; defining assisted living services; implementing a one-time adjustment for alternative care services; amending Minnesota Statutes 1992, sections 256B.0625, subdivision 19a; 256B.0627, subdivisions 4 and 5; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 3, 4, 6, and 7; 256B.0913, subdivisions 4, 5, 9, 12, and 14; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 11, and 12; 256B.093, subdivisions 1 and 3; and 256B.49, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE SERVICES.] (a) Notwithstanding any contrary language in this paragraph, the commissioner of human services and the commissioner of health shall jointly promulgate rules to be applied to the licensure of personal care services provided under the medical assistance program. The rules shall consider standards for personal care services that are based on the World Institute on Disability's recommendations regarding personal care services. These rules shall at a minimum consider the standards and requirements adopted by the commissioner of health under section 144A.45, which the commissioner of human services determines are applicable to the provision of personal care services, in addition to other standards or modifications which the commissioner of human services determines are appropriate.

The commissioner of human services shall establish an advisory group including personal care consumers and providers to provide advice regarding which standards or modifications should be adopted. The advisory group membership must include not less than 15 members, of which at least 60 percent must be consumers of personal care services and representatives of recipients with various disabilities and diagnoses and ages. At least 51 percent of the members of the advisory group must be recipients of personal care.

The commissioner of human services may contract with the commissioner of health to enforce the jointly promulgated licensure rules for personal care service providers.

Prior to final promulgation of the joint rule the commissioner of human services shall report preliminary findings along with any comments of the advisory group and a plan for monitoring and enforcement by the department of health to the legislature by February 15, 1992.

Limits on the extent of personal care services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and supervision by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

(b) The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county *and shall waive the requirement for personal care assistants required to join an agency for the first time during 1993, when personal care services are provided under a relative hardship waiver under section 256B.0627, subdivision 4, paragraph (b), clause (7), and at least two agencies providing personal care services in the county have refused to employ or contract with the independent personal care assistant.*

Sec. 2. Minnesota Statutes 1992, section 256B.0625, subdivision 6a, is amended to read:

Subd. 6a. [HOME HEALTH SERVICES.] Home health services are those services specified in Minnesota Rules, part 9505.0290. Medical assistance covers home health services at a recipient's home residence. Medical assistance does not cover home health services *at for residents of a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, unless the program is funded under a home- and community-based services waiver or unless the commissioner of human services has prior authorized skilled nurse visits for less than 90 days for a resident at an intermediate care facility for persons with mental retardation, to prevent an admission to a hospital or nursing facility or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the home health services or foregoes the facility per diem for the leave days that home health services are used.* Home health services must be provided by a Medicare certified home health agency. All nursing and home health aide services must be provided according to section 256B.0627.

Sec. 3. Minnesota Statutes 1992, section 256B.0625, subdivision 7, is amended to read:

Subd. 7. [PRIVATE DUTY NURSING.] Medical assistance covers private duty nursing services in a recipient's home. Recipients who are authorized to receive private duty nursing services in their home may use approved hours outside of the home during hours when normal life activities take them outside of their home and when, without the provision of private duty nursing, their health and safety would be jeopardized. Medical assistance does not cover private duty nursing services ~~at~~ *for residents of a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the private duty nursing services or foregoes the facility per diem for the leave days that private duty nursing services are used.* Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed in an in-home setting according to section 256B.0627. All private duty nursing services must be provided according to the limits established under section 256B.0627. Private duty nursing services may not be reimbursed if the nurse is the spouse of the recipient or the parent or foster care provider of a recipient who is under age 18, or the recipient's legal guardian.

Sec. 4. Minnesota Statutes 1992, section 256B.0625, subdivision 19a, is amended to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. Recipients who can direct their own care, or persons who cannot direct their own care when authorized by the responsible party, may use approved hours outside the home when normal life activities take them outside the home and when, without the provision of personal care, their health and safety would be jeopardized. Medical assistance does not cover personal care services ~~at~~ *for residents of a hospital, nursing facility, intermediate care facility or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals, or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the personal care services or foregoes the facility per diem for the leave days that personal care services are used.* Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. All personal care services must be provided according to section 256B.0627. Personal care services may not be reimbursed if the personal care assistant is the spouse of the recipient or the parent of a recipient under age 18, the responsible party or the foster care provider of a recipient who cannot direct the recipient's own care or the recipient's legal guardian unless, in the case of a foster provider, a county or state case manager visits the recipient as needed, but no less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are met. Parents of adult recipients, adult children of the recipient or adult siblings of the recipient may be reimbursed for personal care services if they are granted a waiver under section 256B.0627.

Sec. 5. Minnesota Statutes 1992, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (a) "Home care services" means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan that is reviewed by the

physician at least once every 60 days for the provision of home health services, or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility or as specified in section 256B.0625.

(b) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) "Care plan" means a written description of the services needed which is *signed developed* by the *supervisory nurse together with the recipient or responsible party* and includes a detailed description of the covered home care services, who is providing the services, frequency and duration of services, and expected outcomes and goals ~~including expected date of goal accomplishment~~. *The provider must give the recipient or responsible party a copy of the completed care plan within 30 days of beginning home care services.*

Sec. 6. Minnesota Statutes 1992, section 256B.0627, subdivision 4, is amended to read:

Subd. 4. [PERSONAL CARE SERVICES.] (a) The personal care services that are eligible for payment are the following:

- (1) bowel and bladder care;
- (2) skin care to maintain the health of the skin;
- (3) ~~range of motion exercises~~ *delegated therapy tasks specific to maintaining a recipient's optimal level of functioning including range of motion and muscle strengthening exercises;*
- (4) respiratory assistance;
- (5) transfers and ambulation;
- (6) bathing, grooming, and hairwashing necessary for personal hygiene;
- (7) turning and positioning;
- (8) assistance with furnishing medication that is normally self-administered;
- (9) application and maintenance of prosthetics and orthotics;
- (10) cleaning medical equipment;
- (11) dressing or undressing;
- (12) assistance with food, nutrition, and diet activities;
- (13) accompanying a recipient to obtain medical diagnosis or treatment;
- (14) ~~helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules~~ *assisting, monitoring, or prompting the recipient to complete the services in clauses (1) to (13);*
- (15) ~~redirection, supervision, and observation that are medically necessary because of the recipient's diagnosis or disability; and~~ *and an integral part of completing the personal cares described in clauses (1) to (14);*
- (16) *redirection and intervention for behavior including observation and supervision;*

(17) interventions for seizure disorders including supervision and observation if the recipient has had a seizure that requires intervention within the past three months; and

(18) incidental household services that are an integral part of a personal care service described in clauses (1) to ~~(15)~~ (17).

For purposes of this subdivision, supervision and observation means watching for outward visible signs that are likely to occur and for which there is a covered personal care service or an appropriate personal care intervention as opposed to watching for symptoms which would require the assessment skills of a nurse.

(b) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the care plan developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or the responsible party directing the care of the recipient;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;

(4) services provided by a foster care provider of a recipient who cannot direct their own care, unless monitored by a county or state case manager under section 256B.0625, subdivision 19a;

(5) *services provided by the residential or program license holder in a residence for more than four persons;*

(6) *services that are the responsibility of a residential or program license holder under the terms of a service agreement and administrative rules;*

~~(5)~~ (7) sterile procedures;

~~(6)~~ (8) injections of fluids into veins, muscles, or skin;

~~(7)~~ (9) services provided by parents of adult recipients, adult children, or siblings, unless these relatives meet one of the following hardship criteria and the commissioner waives this requirement:

(i) the relative resigns from a part-time or full-time job to provide personal care for the recipient;

(ii) the relative goes from a full-time to a part-time job with less compensation to provide personal care for the recipient;

(iii) the relative takes a leave of absence without pay to provide personal care for the recipient;

(iv) the relative incurs substantial expenses by providing personal care for the recipient; or

(v) because of labor conditions, the relative is needed in order to provide an adequate number of qualified personal care assistants to meet the medical needs of the recipient;

~~(8)~~ (10) homemaker services that are not an integral part of a personal care services; and

(9) (11) home maintenance, or chore services.

Sec. 7. Minnesota Statutes 1992, section 256B.0627, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to this subdivision.

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits or skilled nurse visits under section 256B.0625, subdivision 6a; and

(2) a total of ten hours of nursing supervision under section 256B.0625, subdivision 7 or 19a up to two assessments by a supervising registered nurse to determine a recipient's need for personal care services, develop a care plan, and obtain prior authorization. Additional visits may be authorized by the commissioner if there are circumstances that necessitate a change in provider.

(c) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (b) must receive the commissioner's prior authorization, except when:

(1) the home care services were required to treat an emergency medical condition that if not immediately treated could cause a recipient serious physical or mental disability, continuation of severe pain, or death. The provider must request retroactive authorization no later than five working days after giving the initial service. The provider must be able to substantiate the emergency by documentation such as reports, notes, and admission or discharge histories;

(2) the home care services were provided on or after the date on which the recipient's eligibility began; but before the date on which the recipient was notified that the case was opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened; or

(3) a third party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request; or

(4) the commissioner has determined that a county or state human services agency has made an error.

(d) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (c) will be evaluated according to the same criteria applied to prior authorization requests. Implementation of this provision shall begin no later than October 1, 1991, except that recipients who are currently receiving medically necessary services above the limits estab-

lished under this subdivision may have a reasonable amount of time to arrange for waived services under section 256B.49 or to establish an alternative living arrangement. All current recipients shall be phased down to the limits established under paragraph (b) on or before April 1, 1992.

(e) [ASSESSMENT AND CARE PLAN.] The home care provider shall conduct ~~an~~ *initially, and at least annually thereafter, a face-to-face* assessment of the recipient and complete a care plan using forms specified by the commissioner. For the recipient to receive, or continue to receive, home care services, the provider must submit evidence necessary for the commissioner to determine the medical necessity of the home care services. The provider shall submit to the commissioner the assessment, the care plan, and other information necessary to determine medical necessity such as diagnostic or testing information, social or medical histories, and hospital or facility discharge summaries.

To continue to receive home care services, when the recipient displays no significant change, the supervising nurse has the option to review with the commissioner, or the commissioner's designee, the care plan on record and receive authorization for up to an additional 12 months.

(f) [PRIOR AUTHORIZATION.] The commissioner, or the commissioner's designee, shall review the assessment, the care plan, and any additional information that is submitted. The commissioner shall, within 30 days after receiving a complete request, assessment, and care plan, authorize home care services as follows:

(1) [HOME HEALTH SERVICES.] All home health services provided by a nurse or a home health aide that exceed the limits established in paragraph (b) must be prior authorized by the commissioner or the commissioner's designee. Prior authorization must be based on medical necessity and cost-effectiveness when compared with other care options. When home health services are used in combination with personal care and private duty nursing, the cost of all home care services shall be considered for cost-effectiveness. *The commissioner shall limit nurse and home health aide visits to no more than one visit each per day.*

(2) [PERSONAL CARE SERVICES.] (i) All personal care services must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision established in paragraph (b). The amount of personal care services authorized must be based on the recipient's ~~ease mix classification according to section 256B.0911, except that~~ *home care rating*. A child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity and the amount of assistance needed is similar to the assistance appropriate for a typical child of the same age. Based on medical necessity, the commissioner may authorize:

(A) up to two times the average number of direct care hours provided in nursing facilities for the recipient's comparable case mix level; *or*

(B) up to three times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs *or are dependent in at least seven activities of daily living and need physical assistance with eating or have a neurological diagnosis; or*

(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care provided in a regional treatment center for recipients who have complex behaviors *Level I behavior*; or

(D) up to the amount the commissioner would pay, as of July 1, 1991, for care provided in a regional treatment center for recipients referred to the commissioner by a regional treatment center preadmission evaluation team. For purposes of this clause, home care services means all services provided in the home or community that would be included in the payment to a regional treatment center; or

(E) up to the amount medical assistance would reimburse for facility care for recipients referred to the commissioner by a preadmission screening team established under section 256B.0911 or 256B.092; and

(F) a reasonable amount of time for the necessary provision of nursing supervision of personal care services.

(ii) The number of direct care hours shall be determined according to the annual cost reports which are report submitted to the department by nursing facilities each year. The average number of direct care hours, as established by May 1, 1992, shall be calculated and incorporated into the home care limits on July 1 each year, 1992. These limits shall be calculated to the nearest quarter hour.

(iii) The ease mix level home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner by the personal care provider on forms specified by the commissioner. The forms home care rating shall be a combination of current assessment tools developed under sections 256B.0911 and 256B.501 with an addition for seizure activity that will assess the frequency and severity of seizure activity and with adjustments, additions, and clarifications that are necessary to reflect the needs and conditions of children and nonelderly adults who need home care. The commissioner shall establish these forms and protocols under this section and shall use the advisory group established in section 256B.04, subdivision 16, for consultation in establishing the forms and protocols by October 1, 1991.

(iv) A recipient shall qualify as having complex medical needs if the care required is difficult to perform and because of recipient's medical condition requires more time than community-based standards allow or the recipient's condition or treatment requires more training or requires more skill than would ordinarily be required and the recipient needs or has one or more of the following:

- (A) daily tube feedings;
- (B) daily parenteral therapy;
- (C) wound or decubiti care;
- (D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy care, oxygen, mechanical ventilation;
- (E) catheterization;
- (F) ostomy care;
- (G) quadriplegia; or

(H) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.

(v) A recipient shall qualify as having ~~complex~~ *Level I* behavior if there is reasonable supporting evidence that the recipient exhibits on a daily basis, or that without supervision, observation, or redirection would exhibit, one or more of the following behaviors that causes, or has the potential to cause:

- (A) self-injurious behavior injury to his or her own body;
- (B) unusual or repetitive habits physical injury to other people; or
- (C) withdrawal behavior;
- (D) hurtful behavior to others;
- (E) socially offensive behavior;
- (F) destruction of property; or
- (G) a need for constant one-to-one supervision for self-preservation.

(vi) The ~~complex~~ behaviors in clauses (A) to (G) have the meanings developed under section 256B.501. Time authorized for personal care relating to Level I behavior in item (v), clauses (A) to (C), shall be based on the predictability, frequency, and amount of intervention required.

(vii) A recipient shall qualify as having *Level II* behavior if the recipient exhibits on a daily basis one or more of the following behaviors that interferes with the completion of personal care services under subdivision 4, paragraph (a):

- (A) unusual or repetitive habits;
- (B) withdrawn behavior; or
- (C) offensive behavior.

(viii) A recipient with a home care rating of *Level II* behavior in item (vii), clauses (A) to (C), shall be rated as comparable to a recipient with complex medical needs under item (iv). If a recipient has both complex medical needs and *Level II* behavior, the home care rating shall be the next complex category up to the maximum rating under item (i), clause (B).

(3) [PRIVATE DUTY NURSING SERVICES.] All private duty nursing services shall be prior authorized by the commissioner or the commissioner's designee. Prior authorization for private duty nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services in quarter-hour units when:

(i) the recipient requires more individual and continuous care than can be provided during a nurse visit; or

(ii) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

The commissioner may authorize:

(A) up to two times the average amount of direct care hours provided in nursing facilities statewide for case mix classification "K" as established by

the annual cost report submitted to the department by nursing facilities in May 1992;

(B) private duty nursing in combination with other home care services up to the total cost allowed under clause (2);

(C) up to 16 hours per day if the recipient requires more nursing than the maximum number of direct care hours as established in (A) and the recipient meets the hospital admission criteria established under Minnesota Rules, parts 9505.0500 to 9505.0540.

The commissioner may authorize up to 16 hours per day of private duty nursing services or up to 24 hours per day of private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are cooperatively applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined by the appropriate regulatory agency that a health benefit plan is or is not required to pay for appropriate medically necessary health care services. Recipients or their representatives must cooperatively assist the commissioner in obtaining this determination. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section than would otherwise be authorized under section 256B.49.

(4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is ventilator-dependent, the monthly medical assistance authorization for home care services shall not exceed what the commissioner would pay for care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at the long-term hospital. "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.

(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a prior authorization shall ~~remain valid~~ *be effective*. If the recipient continues to require home care services beyond the duration of the prior authorization, the home care provider must request a new prior authorization through the process described above. Under no circumstances *other than the exceptions in paragraph (c)* shall a prior authorization be valid *prior to the date the commissioner receives the request* or for more than 12 months. A recipient who appeals a reduction in previously authorized home care services may ~~request that the~~ *continue* previously authorized services, other than temporary services under paragraph (i), ~~be continued pending an appeal under section 256.045, subdivision 40.~~

(h) [APPROVAL OF HOME CARE SERVICES.] The commissioner or the commissioner's designee shall determine the medical necessity of home care services, the level of caregiver according to subdivision 2, and the institutional comparison according to this subdivision, the cost-effectiveness of services, and the amount, scope, and duration of home care services reimbursable by medical assistance, based on the assessment, the care plan, the recipient's age, the cost of services, the recipient's medical condition, and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.

(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] Providers may request a temporary authorization for home care services by telephone. The commissioner may approve a temporary level of home care services based on the assessment and care plan information provided by an appropriately licensed nurse. Authorization for a temporary level of home care services is limited to the time specified by the commissioner, but shall not exceed 30 45 days. The level of services authorized under this provision shall have no bearing on a future prior authorization.

(j) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Home care services provided in an adult or child foster care setting must receive prior authorization by the department according to the limits established in paragraph (b).

The commissioner may not authorize:

(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement and administrative rules;

(2) personal care services when the foster care license holder is also the personal care provider or personal care assistant unless the recipient can direct the recipient's own care, or case management is provided as required in section 256B.0625, subdivision 19a;

(3) personal care services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless case management is provided as required in section 256B.0625, subdivision 19a;

(4) home care services when the number of foster care residents is greater than four unless the county responsible for the recipient's foster placement made the placement prior to April 1, 1992, requests that home care services be provided, and case management is provided as required in section 256B.0625, subdivision 19a; or

(5) home care services when combined with foster care payments, other than room and board payments plus the cost of home and community-based waived services unless the costs of home care services and waived services are combined and managed under the waiver program, that exceed the total amount that public funds would pay for the recipient's care in a medical institution.

Sec. 8. Minnesota Statutes 1992, section 256B.0628, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR DUTIES.] (a) The commissioner may contract with or employ qualified registered nurses and necessary support staff, or contract with qualified agencies, to provide home care prior authorization and review services for medical assistance recipients who are receiving home care services.

(b) Reimbursement for the prior authorization function shall be made through the medical assistance administrative authority. The state shall pay the nonfederal share. The contractor must functions will be to:

(1) assess the recipient's individual need for services required to be cared for safely in the community;

(2) ensure that a care plan that meets the recipient's needs is developed by the appropriate agency or individual;

(3) ensure cost-effectiveness of medical assistance home care services;

(4) recommend to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;

(5) reassess the recipient's need for and level of home care services at a frequency determined by the commissioner; and

(6) conduct on-site assessments when determined necessary by the commissioner and recommend changes to care plans that will provide more efficient and appropriate home care.

(c) In addition, the contractor may be requested by the commissioner to or the commissioner's designee may:

(1) review care plans and reimbursement data for utilization of services that exceed community-based standards for home care, inappropriate home care services, *medical necessity*, home care services that do not meet quality of care standards, or unauthorized services and make appropriate referrals to the commissioner within the department or to other appropriate entities based on the findings;

(2) assist the recipient in obtaining services necessary to allow the recipient to remain safely in or return to the community;

(3) coordinate home care services with other medical assistance services under section 256B.0625;

(4) assist the recipient with problems related to the provision of home care services; and

(5) assure the quality of home care services.

(d) For the purposes of this section, "home care services" means medical assistance services defined under section 256B.0625, subdivisions 6a, 7, and 19a.

Sec. 9. Minnesota Statutes 1992, section 256B.0911, subdivision 2, is amended to read:

Subd. 2. [PERSONS REQUIRED TO BE SCREENED; EXEMPTIONS.] All applicants to Medicaid certified nursing facilities must be screened prior to admission, regardless of income, assets, or funding sources, except the following:

(1) patients who, having entered acute care facilities from certified nursing facilities, are returning to a certified nursing facility;

(2) residents transferred from other certified nursing facilities;

(3) individuals whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team prior to admission and provides an update to the screening team on the 30th day after admission;

(4) individuals who have a contractual right to have their nursing facility care paid for indefinitely by the veteran's administration; or

~~(5)~~ (4) individuals who are enrolled in the Ebenezer/Group Health social health maintenance organization project at the time of application to a nursing home; or

(6) individuals who are screened by another state within three months before admission to a certified nursing facility.

Regardless of the exemptions in clauses (2) to ~~(6)~~ (4), persons who have a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must be screened before admission unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 101-508.

~~Persons transferred from an acute care facility to a certified nursing facility may be admitted to the nursing facility before screening, if authorized by the county agency; however, the person must be screened within ten working days after the admission. Before admission to a Medicaid certified nursing facility or boarding care home, all persons must be screened and approved for admission through an assessment process. The nursing facility is authorized to conduct case mix assessments which are not conducted by the county public health nurse under Minnesota Rules, part 9549.0059. The county is responsible for distributing the quality assurance and review form for all new applicants to nursing facilities.~~

Other persons who are not applicants to nursing facilities must be screened if a request is made for a screening.

Sec. 10. Minnesota Statutes 1992, section 256B.0911, is amended by adding a subdivision to read:

Subd. 2a. [SCREENING REQUIREMENTS.] Persons may be screened by telephone or in a face-to-face consultation. The screener will identify each individual's needs according to the following categories: (1) needs no face-to-face screening; (2) needs an immediate face-to-face screening interview; or (3) needs a face-to-face screening interview after admission to a certified nursing facility or after a return home. Persons who are not admitted to a Medicaid certified nursing facility must be screened within ten working days after the date of referral. Persons admitted on a nonemergency basis to a Medicaid certified nursing facility must be screened prior to the certified nursing facility admission. Persons admitted to the Medicaid certified nursing facility from the community on an emergency basis or from an acute care facility on a nonworking day must be screened the first working day after admission and the reason for the emergency admission must be certified by the attending physician in the person's medical record.

Sec. 11. Minnesota Statutes 1992, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county agency and the county public health nursing service of the local board of health board of commissioners. Each local screening team shall be composed consist of screeners who are a social worker and a public health nurse from their respective county agencies. If a county does not have a public

health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. Two or more counties may collaborate to establish a joint local screening team or teams.

(b) ~~Both members of the team must conduct the screening. However, individuals who are being transferred from an acute care facility to a certified nursing facility and individuals who are admitted to a certified nursing facility on an emergency basis may be screened by only one member of the screening team in consultation with the other member.~~

(e) ~~In assessing a person's needs, each screening team screeners shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.~~

(d) ~~If a person who has been screened must be reassessed to assign a case mix classification because admission to a nursing facility occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.~~

Sec. 12. Minnesota Statutes 1992, section 256B.0911, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE COUNTY AGENCY AND THE SCREENING TEAM.] (a) The county agency shall:

(1) provide information and education to the general public regarding availability of the preadmission screening program;

(2) accept referrals from individuals, families, human service and health professionals, and hospital and nursing facility personnel;

(3) assess the health, psychological, and social needs of referred individuals and identify services needed to maintain these persons in the least restrictive environments;

(4) determine if the individual screened needs nursing facility level of care;

(5) assess active ~~treatment~~ *specialized service* needs ~~in cooperation with based upon an evaluation by:~~

(i) a qualified *independent* mental health professional for persons with a primary or secondary diagnosis of *a serious* mental illness; and

(ii) a qualified mental retardation professional for persons with a primary or secondary diagnosis of mental retardation or related conditions. For purposes of this clause, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional in Code of Federal Regulations, title 42, section 483.430;

(6) make recommendations for individuals screened regarding cost-effective community services which are available to the individual;

(7) make recommendations for individuals screened regarding nursing home placement when there are no cost-effective community services available;

(8) develop an individual's community care plan and provide follow-up services as needed; and

(9) prepare and submit reports that may be required by the commissioner of human services.

The county agency may determine in cooperation with the local board of health that the public health nursing agency of the local board of health is the lead agency which is responsible for all of the activities above except clause (5).

(b) The screening team screener shall document that the most cost-effective alternatives available were offered to the individual or the individual's legal representative. For purposes of this section, "cost-effective alternatives" means community services and living arrangements that cost the same or less than nursing facility care.

The screening shall be conducted within ten working days after the date of referral or, for those approved for transfer from an acute care facility to a certified nursing facility, within ten working days after admission to the nursing facility.

(c) For persons who are eligible for medical assistance or who would be eligible within 180 days of admission to a nursing facility and who are admitted to a nursing facility, the nursing facility must include the screening team a screener or the case manager in the discharge planning process for those individuals who the team has determined have discharge potential. The screening team screener or the case manager must ensure a smooth transition and follow-up for the individual's return to the community.

Local screening teams Screeners shall cooperate with other public and private agencies in the community, in order to offer a variety of cost-effective services to the disabled and elderly. The screening team Screeners shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide services.

Sec. 13. Minnesota Statutes 1992, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. [REIMBURSEMENT PAYMENT FOR PREADMISSION SCREENING.] (a) The total screening cost payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's estimate of the total annual cost of allocation for screenings allowed in the county for the following rate year by 12 to determine the monthly cost estimate payment and allocating the monthly cost estimate payment to each nursing facility based on the number of licensed beds in the nursing facility.

(b) The rate allowed for a screening where two team members are present shall be the actual costs up to \$195. The rate allowed for a screening where only one team member is present shall be the actual costs up to \$117. Annually on July 1, the commissioner shall adjust the rate up to the percentage change forecast in the fourth quarter of the prior calendar year by the Home Health Agency Market Basket of Operating Costs, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc.

(c) The monthly cost estimate for each certified nursing facility must be submitted to the state by the county no later than February 15 of each year for inclusion in the nursing facility's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing facility as an operating cost of that nursing facility in accordance with section 256B.431, subdivision 2b, paragraph (g). The monthly cost estimates approved by the commissioner must be sent to the nursing facility by the county no later than April 15 of each year.

(d) If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent. Counties shall receive payment for screening activities in fiscal years 1994 and 1995 equal to the reimbursement amount each county was allocated in fiscal year 1993; except counties participating in SAIL projects under section 256B.0917 shall receive a five percent payment adjustment consistent with the increase received by nonparticipating counties. Counties not participating in SAIL shall receive the greater of fiscal year 1993 payment or fiscal year 1993 estimate as reported to the commissioner by February 15, 1992. These amounts are available to cover staff salaries and expenses to provide the screening function. The lead agency shall, within the limits of available funding, employ or contract with other agencies to employ sufficient personnel to conduct the preadmission screening activity and meet the state's long-term care goals defined in section 256B.0917, subdivision 1.

(e) (c) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs reimbursements under the medical assistance program may not be recovered from a facility.

(f) (d) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams.

Sec. 14. Minnesota Statutes 1992, section 256B.0911, subdivision 7, is amended to read:

Subd. 7. [REIMBURSEMENT FOR CERTIFIED NURSING FACILITIES.] Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted prior to admission or the local county agency has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screening team screener has determined does not meet the level of care criteria for nursing facility placement or, if indicated, has not had a level II PASARR evaluation completed unless approved for admission by the local county authority. The commissioner shall request a waiver from the Health Care Financing Administration to allow screener approval of Medicaid payments for certified nursing facility care. Persons admitted to a nursing facility after the date the commissioner receives approval of the waiver must receive screener approval of Medicaid payments.

An individual has a choice and makes the final decision between nursing facility placement and community placement after the screening team's recommendation. However, the local county mental health authority or the local mental retardation authority under Public Law Numbers 100-203 and

101-508 may prohibit admission to a nursing facility, if the individual does not meet the nursing facility level of care criteria or does need ~~active treatment~~ *specialized service* as defined in Public Law Numbers 100-203 and 101-508.

Appeals from the screening team's recommendation or the county agency's final decision shall be made according to section 256.045, subdivision 3.

Sec. 15. Minnesota Statutes 1992, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NON-MEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;

(2) the person is age 65 or older;

(3) the person would be *financially* eligible for medical assistance within 180 days of admission to a nursing facility;

(4) *the person meets the asset transfer requirements of the medical assistance program;*

(5) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

~~(5)~~ (6) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

~~(6)~~ (7) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.

(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding are called 180-day eligible clients.

(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spend-down if the person applied, unless authorized by the commissioner. ~~The commissioner may authorize alternative care money to be used to meet a portion of a medical assistance income spend-down for persons residing in adult foster care who would otherwise be~~

served under the alternative care program. The alternative care payment is limited to the difference between the recipient's negotiated foster care room and board rate and the medical assistance income standard for one elderly person plus the medical assistance personal needs allowance for a person residing in a long-term care facility. A person whose application for medical assistance is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance retroactive to from the date of eligibility the individual was found eligible for the medical assistance services provided that are reimbursable under the elderly waiver program.

(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.

Sec. 16. Minnesota Statutes 1992, section 256B.0913, subdivision 9, is amended to read:

Subd. 9. [CONTRACTING PROVISIONS FOR PROVIDERS.] The lead agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care program or waiver programs under sections 256B.0915 and 256B.49, including a minimum of 14 days' written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection. The lead agency shall also document to the commissioner that the agency allowed potential providers an opportunity to be selected to contract with the county agency. Funds reimbursed to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The lead agency must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;
- (3) the geographic area to be served;
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;
- (5) rates for each service and unit of service exclusive of county administrative costs;
- (6) evaluation of services previously delivered by the provider; and
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

Sec. 17. Minnesota Statutes 1992, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's ~~gross~~ income less recurring and predictable medical expenses is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is zero;

(2) when the alternative care client's ~~gross~~ income less recurring and predictable medical expenses is greater than 150 percent of the federal poverty guideline and total assets are less than \$6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's ~~gross~~ income less recurring and predictable medical expenses, whichever is less; and

(3) when the alternative care client's total assets are greater than \$6,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable. *For married persons, total income is defined as the client's income less the monthly spousal allotment, under section 256B.058.*

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the month in which the alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee.

(b) The fee shall be waived by the commissioner when:

(1) a person who is residing in a nursing facility is receiving case management only;

(2) a person is applying for medical assistance;

(3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;

(4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;

(5) a person is found eligible for alternative care, but is not yet receiving alternative care services;

(6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of the person's medical assistance spend-down, as authorized in subdivision 4; and

(7) a person's fee under paragraph (a) is less than \$25.

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social

security number at the time of application. If a client fails or refuses to pay the premium due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

(d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

Sec. 18. Minnesota Statutes 1992, section 256B.0913, subdivision 13, is amended to read:

Subd. 13. ~~[COUNTY ALTERNATIVE CARE BIENNIAL PLAN.]~~ The commissioner shall establish by rule, in accordance with chapter 14, procedures for the submittal and approval of a biennial county plan for the administration of the alternative care program and the coordination with other planning processes for the older adult. *In addition to the procedures in rule, The county biennial plan for the preadmission screening program, the alternative care program, waivers for the elderly under section 256B.0915, and waivers for the disabled under section 256B.49, shall be incorporated into the biennial community social services act plan and shall meet the regulations and timelines of that plan. This county biennial plan shall also include:*

- (1) information on the administration of the preadmission screening program;
- (2) information on the administration of the home- and community-based services waivers for the elderly under section 256B.0915, and for the disabled under section 256B.49; and
- (3) an application for targeted funds under subdivision 11; and
- (4) an optional notice of intent to apply to participate in the long-term care projects under section 256B.0917 information on the administration of the alternative care program.

Sec. 19. Minnesota Statutes 1992, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. ~~[REIMBURSEMENT AND RATE ADJUSTMENTS.]~~ (a) Reimbursement for expenditures for the alternative care services shall be through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. To receive reimbursement, the county or vendor must submit invoices within 120 days following the month of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for alternative care services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for alternative care services based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

(e) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 60 percent of the current maximum rate for each alternative care service. Notwithstanding any other rule or statutory provision to the contrary, the commissioner shall not be authorized to increase rates by an annual inflation factor, unless so authorized by the legislature.

(f) On July 1, 1993, the commissioner shall increase the maximum rate for home-delivered meals to \$3.75 per meal.

Sec. 20. Minnesota Statutes 1992, section 256B.0915, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner is authorized to apply for a home- and community-based services waiver for the elderly, authorized under section 1915(c) of the Social Security Act, in order to obtain federal financial participation to expand the availability of services for persons who are eligible for medical assistance. The commissioner may apply for additional waivers or pursue other federal financial participation which is advantageous to the state for funding home care services for the frail elderly who are eligible for medical assistance. The provision of waived services to *elderly and disabled* medical assistance recipients must comply with the criteria approved in the waiver.

Sec. 21. Minnesota Statutes 1992, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide average monthly nursing home

rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval.

(e) For the fiscal year beginning on July 1, 1993, and for subsequent fiscal years, the commissioner of human services shall not provide automatic annual inflation adjustments for home- and community-based waived services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for home- and community-based waived services, based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set. The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

The adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other waiver and medical assistance home care services to be authorized by the case manager.

The assisted living and residential care service rates for elderly and disabled waivers must be a monthly rate negotiated between the county agency and the vendor. The rate must not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, except for alternative care assisted living projects established under chapter 256 whose rates may not exceed 65 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover rent or direct food costs.

(f) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(g) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

(h) *The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or .60 percent of the current maximum rate for each service within each program.*

(i) *On July 1, 1993, the commissioner shall increase the maximum rate for home-delivered meals to \$3.75 per meal.*

Sec. 22. Minnesota Statutes 1992, section 256B.0917, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE, MISSION, GOALS, AND OBJECTIVES.] (a) The purpose of implementing seniors' agenda for independent living (SAIL) projects under this section is to demonstrate a new cooperative strategy for the long-term care system in the state of Minnesota.

The projects are part of the initial biennial plan for a 20-year strategy. The mission of the 20-year strategy is to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources. The goals for the 20-year strategy are to:

(1) achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;

(2) develop a statewide system of information and assistance to enable easy access to long-term care services;

(3) develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care;

(4) maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly persons served in institutional settings; and

(5) build a community-based approach and community commitment to delivering long-term care services for elderly persons in their homes.

(b) The objective for the fiscal years ~~1992 1994~~ and ~~1993 1995~~ biennial plan is to ~~implement~~ *continue* at least four but not more than six projects in anticipation of a statewide program. These projects will ~~begin~~ *continue* the process of implementing: (1) a coordinated planning and administrative process; (2) a refocused function of the preadmission screening program; (3) the development of additional home, community, and residential alternatives to nursing homes; (4) a program to support the informal caregivers for elderly persons; (5) programs to strengthen the use of volunteers; and (6) programs to

support the building of community commitment to provide long-term care for elderly persons.

This is done in conjunction with an expanded role of the interagency long-term care planning committee as described in section 144A.31. The services offered through these projects will be available to those who have their own funds to pay for services, as well as to persons who are eligible for medical assistance and to persons who are 180-day eligible clients to the extent authorized in this section.

Sec. 23. Minnesota Statutes 1992, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services in conjunction with the interagency long-term care planning committee's long-range strategic plan shall ~~establish~~ contract with SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board or boards must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and

(4) ensuring efficient services provision and nonduplication of funding.

(c) The board or boards shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board or boards shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead

agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions:

(1) No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

(2) If only two projects are selected, at least one of them must be from a metropolitan statistical area as determined by the United States Census Bureau; if three or four projects are selected, at least one but not more than two projects must be from a metropolitan statistical area; and if more than four projects are selected, at least two but not more than three projects must be from a metropolitan statistical area.

(3) Counties or groups of counties that submit a proposal for a project shall be assigned to types defined by institutional utilization rate and population growth rate in the following manner:

(i) Each county or group of counties shall be measured by the utilization rate of nursing homes and boarding care homes and by the projected growth rate of its population aged 85 and over between 1990 and 2000. For the purposes of this section, "utilization rate" means the proportion of the seniors aged 65 or older in the county or group of counties who reside in a licensed nursing home or boarding care home as determined by the most recent census of residents available from the department of health and the population estimates of the state demographer or the census, whichever is more recent. The "projected growth rate" is the rate of change in the county or group of counties of the population group aged 85 or older between 1990 and 2000 according to the projections of the state demographer.

(ii) The institutional utilization rate of a county or group of counties shall be converted to a category by assigning a "high utilization" category if the rate is above the median rate of all counties, and a "low utilization" category otherwise. The projected growth rate of a county or group of counties shall be converted to a category by assigning a score of "high growth" category if the

rate is above the median rate of all counties, and a "low growth" category otherwise.

(iii) Types of areas shall be defined by the four combinations of the scores defined in item (ii): type 1 is low utilization - high growth; type 2 is high utilization - high growth; type 3 is high utilization - low growth; and type 4 is low utilization - low growth. Each county or group of counties making a proposal shall be assigned to one of these types.

(4) Projects shall be selected from each of the types in the order that the types are listed in paragraph (3), item (iii), with available funding allocated to projects until it is exhausted, with no more than 30 percent of available funding allocated to any one project. Available funding includes state administrative funds which have been appropriated for screening functions in subdivision 4, paragraph (b), clause (3), and for service developers and incentive grants in subdivision 5.

(5) If more than one county or group of counties within one of the types defined by paragraph (3) proposes a special project that meets all of the other conditions in paragraphs (1) and (2), the project that demonstrates the most cost effective proposals in terms of the number of nursing home placements that can be expected to be diverted or converted to alternative care services per unit of cost shall be selected.

(6) If more than one county applies for a specific project under this subdivision, all participating county boards must indicate intent to work cooperatively through individual board resolutions or a joint powers agreement.

Sec. 24. Minnesota Statutes 1992, section 256B.0917, subdivision 3, is amended to read:

Subd. 3. [LOCAL LONG-TERM CARE STRATEGY.] The local long-term care strategy must list performance outcomes and indicators which meet the state's objectives. The local strategy must provide for:

(1) accessible information, assessment, and preadmission screening activities as described in subdivision 4;

(2) an application for expansion *increase in numbers* of alternative care targeted funds clients served under section 256B.0913, for serving 180-day eligible clients, including those who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload; and

(3) the development of additional services such as adult family foster care homes; family adult day care; assisted living projects and congregate housing service projects in apartment buildings; expanded home care services for evenings and weekends; expanded volunteer services; and caregiver support and respite care projects.

The county or groups of counties selected for the projects shall be required to comply with federal regulations; alternative care funding policies in section 256B.0913, and the federal waiver programs' policies in section 256B.0915. The requirements for preadmission screening as are defined in section 256B.0911, subdivisions 1 to 6, are waived for those counties selected as part of a long-term care strategy project. For persons who are eligible for medical assistance or who are 180-day eligible clients and who are screened after nursing facility admission, the nursing facility must include a screener in the

discharge planning process for those individuals who the screener has determined have discharge potential. The agency responsible for the screening function in subdivision 4 must ensure a smooth transition and follow-up for the individual's return to the community. Requirements for an access, screening, and assessment function replace the preadmission screening requirements and are defined in subdivision 4. Requirements for the service development and service provision are defined in subdivision 5.

Sec. 25. Minnesota Statutes 1992, section 256B.0917, subdivision 4, is amended to read:

Subd. 4. [ACCESSIBLE INFORMATION, SCREENING, AND ASSESSMENT FUNCTION.] (a) The projects selected by and under contract with the commissioner shall establish an accessible information, screening, and assessment function for persons who need assistance and information regarding long-term care. This accessible information, screening, and assessment activity shall include information and referral, early intervention, follow-up contacts, telephone triage as defined in paragraph (f) screening, home visits, assessments, preadmission screening, and relocation case management for the frail elderly and their caregivers in the area served by the county or counties. The purpose is to ensure that information and help is provided to elderly persons and their families in a timely fashion, when they are making decisions about long-term care. These functions may be split among various agencies, but must be coordinated by the local long-term care coordinating team.

(b) Accessible information, screening, and assessment functions shall be reimbursed as follows:

(1) The screenings of all persons entering nursing homes shall be reimbursed by the nursing homes in the counties of the project, through the same policy that is in place in fiscal year 1992 as established as defined in section 256B.0911. The amount a nursing home pays to the county agency is that amount identified and approved in the February 15, 1991, estimated number of screenings and associated expenditures. This amount remains the same for fiscal year 1993, subdivision 6; and

(2) The level I screenings and the level II assessments required by Public Law Numbers 100-203 and 101-508 (OBRA) for persons with mental illness, mental retardation, or related conditions, are reimbursed through administrative funds with 75 percent federal funds and 25 percent state funds, as allowed by federal regulations and established in the contract; and

(3) Additional state administrative funds shall be available for the access, screening, and assessment activities that are not reimbursed under clauses (1) and (2). This amount shall not exceed the amount authorized in the guidelines and in instructions for the application and must be within the amount appropriated for this activity.

(c) The amounts available under paragraph (b) are available to the county or counties involved in the project to cover staff salaries and expenses to provide the services in this subdivision. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide the services listed in this subdivision.

(d) Any information and referral functions funded by other sources, such as Title III of the Older Americans Act and Title XX of the Social Security Act and the Community Social Services Act, shall be considered by the local

long-term care coordinating team in establishing this function to avoid duplication and to ensure access to information for persons needing help and information regarding long-term care.

(e) The staffing for the screening and assessment function must include, but is not limited to, a county social worker and a county public health nurse. The social worker and public health nurse are responsible for all assessments that are required to be completed by a professional. However, only one of these professionals is required to be present for the assessment. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year of experience in home care to conduct the assessment.

(f) All persons entering a Medicaid certified nursing home or boarding care home must be screened through an assessment process, although the decision to conduct a face-to-face interview is left with the county social worker and the county public health nurse. All applicants to nursing homes must be screened and approved for admission by the county social worker or the county public health nurse named by the lead agency or the agencies which are under contract with the lead agency to manage the access, screening, and assessment functions. For applicants who have a diagnosis of mental illness, mental retardation, or a related condition, and are subject to the provisions of Public Law Numbers 100-203 and 101-508, their admission must be approved by the local mental health authority or the local developmental disabilities case manager.

The commissioner shall develop instructions and assessment forms for telephone triage and on-site screenings to ensure that federal regulations and waiver provisions are met.

For purposes of this section, the term "telephone triage" refers to a telephone or face-to-face consultation between health care and social service professionals during which the clients' circumstances are reviewed and the county agency professional sorts the individual into categories: (1) needs no screening, (2) needs an immediate screening, or (3) needs a screening after admission to a nursing home or after a return home. The county agency professional shall authorize admission to a nursing home according to the provisions in section 256B.0911, subdivision 7.

(g) The requirements for case mix assessments by a preadmission screening team may be waived and the nursing home shall complete the case mix assessments which are not conducted by the county public health nurse according to the procedures established under Minnesota Rules, part 9549.0059. The appropriate county or the lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.

(h) (d) The lead agency or the agencies under contract with the lead agency which are responsible for the accessible information, screening, and assessment function must complete the forms and reports required by the commissioner as specified in the contract.

Sec. 26. Minnesota Statutes 1992, section 256B.0917, subdivision 5, is amended to read:

Subd. 5. [SERVICE DEVELOPMENT AND SERVICE DELIVERY.] (a) In

addition to the access, screening, and assessment activity, each local strategy may include provisions for the following:

(1) expansion of alternative care to serve an increased caseload, over the fiscal year 1991 average caseload, of at least 100 persons each year who are assessed prior to nursing home admission and persons who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload;

(2) the addition of a full-time staff person who is responsible to develop the following services and recruit providers as established in the contract:

(i) additional adult family foster care homes;

(ii) family adult day care providers as defined in section 256B.0919, subdivision 2;

(iii) an assisted living program in an apartment;

(iv) a congregate housing service project in a subsidized housing project; and

(v) the expansion of evening and weekend coverage of home care services as deemed necessary by the local strategic plan;

(3) (2) small incentive grants to new adult family care providers for renovations needed to meet licensure requirements;

(4) (3) a plan to apply for a congregate housing service project as identified in section 256.9751, authorized by the Minnesota board on aging, to the extent that funds are available;

(5) (4) a plan to divert new applicants to nursing homes and to relocate a targeted population from nursing homes, using the individual's own resources or the funding available for services;

(6) (5) one or more caregiver support and respite care projects, as described in subdivision 6; and

(7) (6) one or more living-at-home/block nurse projects, as described in subdivisions 7 to 10.

(b) The expansion of alternative care clients under paragraph (a) shall be accomplished with the funds provided under section 256B.0913, and includes the allocation of targeted funds. The funding for all participating counties must be coordinated by the local long-term care coordinating team and must be part of the local long-term care strategy. Targeted Alternative care funds received through the SAIL project approval process may be transferred from one SAIL county to another within a designated SAIL project area during a fiscal year as authorized by the local long-term care coordinating team and approved by the commissioner. The base allocation used for a future year shall reflect the final transfer. Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 12. All other requirements for the alternative care program must be met unless an exception is provided in this section. The commissioner may establish by contract a reimbursement mechanism for alternative care that does not require invoice processing through the Medical Assistance Management Information System (MMIS). The commissioner and local agencies must assure that the same client and reimbursement data is obtained as is available under MMIS.

(c) The administration of these components is the responsibility of the agencies selected by the local coordinating team and under contract with the local lead agency. However, administrative funds for paragraph (a), clauses (2) to (5), and grant funds for paragraph (a), clauses (6) and (7), shall be granted to the local lead agency. The funding available for each component is based on the plan submitted and the amount negotiated in the contract.

Sec. 27. Minnesota Statutes 1992, section 256B.0917, subdivision 7, is amended to read:

Subd. 7. [*CONTRACT FOR LIVING-AT-HOME/BLOCK NURSE PROGRAM TECHNICAL ASSISTANCE CENTER.*] The commissioner of human services shall execute a contract with an *individual or an organization* experienced in establishing and operating community-based programs that have used the principles listed in subdivision 8, paragraph (b), in order to meet the independent living and health needs of senior citizens aged 65 and over and provide community-based long-term care for senior citizens in their homes. The organization shall:

(1) assist the commissioner in developing criteria for ~~and in~~ awarding grants to establish community-based organizations that will implement living-at-home/block nurse programs throughout the state;

(2) assist the commissioner in ~~awarding grants to enable~~ *enabling* current living-at-home/block nurse programs to implement the combined living-at-home/block nurse program model; *and*

(3) serve as a state technical assistance center to assist and coordinate the living-at-home/block nurse programs established; ~~and~~

(4) ~~develop the implementation plan required by subdivision 10.~~

Sec. 28. Minnesota Statutes 1992, section 256B.0917, subdivision 8, is amended to read:

Subd. 8. [*LIVING-AT-HOME/BLOCK NURSE PROGRAM GRANT.*] (a) The commissioner, ~~in cooperation with the organization awarded the contract under subdivision 7,~~ shall develop and administer a grant program to establish or expand up to 15 community-based organizations that will implement living-at-home/block nurse programs that are designed to enable senior citizens to live as independently as possible in their homes and in their communities. At least seven of the programs must be in counties outside the seven-county metropolitan area. The living-at-home/block nurse program funds shall be available to the four to six SAIL projects established under this section. Nonprofit organizations and units of local government are eligible to apply for grants to establish the community organizations that will implement living-at-home/block nurse programs. In awarding grants, the commissioner shall give preference to nonprofit organizations and units of local government from communities that:

(1) have high nursing home occupancy rates;

(2) have a shortage of health care professionals; and

(3) meet other criteria established by the commissioner, ~~in consultation with the organization under contract.~~

(b) Grant applicants must also meet the following criteria:

(1) the local community demonstrates a readiness to establish a community model of care, including the formation of a board of directors, advisory committee, or similar group, of which at least two-thirds is comprised of community citizens interested in community-based care for older persons;

(2) the program has sponsorship by a credible, representative organization within the community;

(3) the program has defined specific geographic boundaries and defined its organization, staffing and coordination/delivery of services;

(4) the program demonstrates a team approach to coordination and care, ensuring that the older adult participants, their families, the formal and informal providers are all part of the effort to plan and provide services; and

(5) the program provides assurances that all community resources and funding will be coordinated and that other funding sources will be maximized, including a person's own resources.

(c) Grant applicants must provide a minimum of five percent of total estimated development costs from local community funding. Grants shall be awarded for two-year periods, and the base amount shall not exceed \$40,000 per applicant for the grant period. The commissioner, in consultation with the organization under contract, may increase the grant amount for applicants from communities that have socioeconomic characteristics that indicate a higher level of need for development assistance.

(d) Each living-at-home/block nurse program shall be designed by representatives of the communities being served to ensure that the program addresses the specific needs of the community residents. The programs must be designed to:

(1) incorporate the basic community, organizational, and service delivery principles of the living-at-home/block nurse program model;

(2) provide senior citizens with registered nurse directed assessment, provision and coordination of health and personal care services on a sliding fee basis as an alternative to expensive nursing home care;

(3) provide information, support services, homemaking services, counseling, and training for the client and family caregivers;

(4) encourage the development and use of respite care, caregiver support, and in-home support programs, such as adult foster care and in-home adult day care;

(5) encourage neighborhood residents and local organizations to collaborate in meeting the needs of senior citizens in their communities;

(6) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to senior citizens and their caregivers; and

(7) provide coordination and management of formal and informal services to senior citizens and their families using less expensive alternatives.

Sec. 29. Minnesota Statutes 1992, section 256B.0917, subdivision 9, is amended to read:

Subd. 9. [STATE TECHNICAL ASSISTANCE CENTER.] The organization or individual under contract shall be the state technical assistance center for the living-at-home/block nurse program, as provided in this section, to provide orientation and technical assistance, and to coordinate the living-at-home/block nurse programs established. The state resource technical assistance center shall:

(1) provide communities with criteria in planning and designing their living-at-home/block nurse programs;

(2) provide general orientation and technical assistance to communities who desire to establish living-at-home/block nurse programs; and

(3) provide ongoing analysis and data collection of existing and newly established living-at-home/block nurse programs and provide data to the organization performing the independent assessment; and

(4) serve as the living-at-home/block nurse programs' liaison to the legislature and other state agencies.

Sec. 30. Minnesota Statutes 1992, section 256B.0917, subdivision 11, is amended to read:

Subd. 11. [SAIL EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the SAIL projects against the objective stated in subdivision 1, paragraph (b), and recommend to the legislature the continuation or expansion of the long-term care strategy by February 15, 1993 1995.

Sec. 31. Minnesota Statutes 1992, section 256B.0917, subdivision 12, is amended to read:

Subd. 12. [PUBLIC AWARENESS CAMPAIGN.] The commissioner, with assistance from the commissioner of health and with the advice of the long-term care planning committee, shall contract for a public awareness campaign to educate the general public, seniors, consumers, caregivers, and professionals about the aging process, the long-term care system, and alternatives available including alternative care and residential alternatives. Particular emphasis will be given to informing consumers on how to access the alternatives and obtain information on the long-term care system. The commissioner shall pursue the development of new names for preadmission screening, alternative care, and foster care, and other services as deemed necessary for the public awareness campaign.

Sec. 32. Minnesota Statutes 1992, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY CASE MANAGEMENT PROGRAM.] The commissioner of human services shall:

(1) establish and maintain statewide traumatic brain injury case management program;

(2) designate a full-time position to supervise and coordinate services and policies for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management; and

(4) establish an advisory committee to provide recommendations in a report to the department commissioner regarding program and service needs of

persons with traumatic brain injuries. *The advisory committee shall consist of no less than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair; and*

(5) *investigate the need for the development of rules or statutes for:*

(i) *traumatic brain injury home- and community-based services waiver; and*

(ii) *traumatic brain injury services not covered by any other statute or rule.*

Sec. 33. Minnesota Statutes 1992, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [~~CASE MANAGEMENT~~ **TRAUMATIC BRAIN INJURY PROGRAM DUTIES.**] **The department shall fund case management under this subdivision using medical assistance administrative funds. Case management** *The traumatic brain injury program duties include:*

(1) *assessing the person's individual needs for services required to prevent institutionalization;*

(2) *ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;*

(3) *assisting the person in obtaining services necessary to allow the person to remain in the community;*

(4) *coordinating home care services with other medical assistance services under section 256B.0625;*

(5) *ensuring appropriate, accessible, and cost-effective medical assistance services;*

(6) *recommending to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under section 256B.0627;*

(7) *assisting the person with problems related to the provision of home care services;*

(8) *ensuring the quality of home care services;*

(9) *reassessing the person's need for and level of home care services at a frequency determined by the commissioner; and*

(10) *recommending to the commissioner the approval or denial of medical assistance funds to pay for out-of-state placements for traumatic brain injury services and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals;*

(11) *coordinating the traumatic brain injury home- and community-based waiver; and*

(12) *approving traumatic brain injury waiver care plans.*

Sec. 34. Minnesota Statutes 1992, section 256B.49, is amended by adding a subdivision to read:

Subd. 5. [PROVIDE WAIVER ELIGIBILITY FOR CERTAIN CHRONICALLY ILL AND CERTAIN DISABLED PERSONS.] Chronically ill or disabled individuals, who are likely to reside in acute care if waiver services were not provided, could be found eligible for services under this section without regard to age."

Delete the title and insert:

"A bill for an act relating to human services; making changes to home care services under the medical assistance program; changing requirements for preadmission screening program; making changes in SAIL project; increasing payment for home-delivered meals; amending Minnesota Statutes 1992, sections 256B.04, subdivision 16; 256B.0625, subdivisions 6a, 7, and 19a; 256B.0627, subdivisions 1, 4, and 5; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 3, 4, 6, 7, and by adding a subdivision; 256B.0913, subdivisions 4, 9, 12, 13, and 14; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 11, and 12; 256B.093, subdivisions 1 and 3; and 256B.49, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1619: A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; nonband harvest under band permit; authority to transfer land; compensation to counties; resort acquisition; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, after the third "the" insert "United States,"

Page 3, line 10, after "shall" insert ":

(i)"

Page 3, line 11, delete "the affected counties, and with"

Page 3, after line 13, insert:

"(ii) allow the affected counties 60 days to review and comment on the proposed substitution; and

(iii) consider any comments of the counties in making a decision on the substitution;"

Page 4, line 32, after "(3)" insert " , provided that the compensation must be apportioned in accordance with section 282.08, for lands subject to that section, and section 84A.51, for lands subject to that section"

Page 5, after line 1, insert:

"The commissioner may apply to the commissioner of finance for additional funding for compensation under clause (7) under the procedures in section 3.30 if funds available under other appropriations are insufficient."

Page 5, line 17, after "acquisition" insert "of resorts"

Page 5, line 18, delete "of resorts"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 837, 1363, 296, 1135 and 1619 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that H.F. No. 1523 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1135, now on General Orders. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until immediately after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appropriate time.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 550: A bill for an act relating to agriculture; regulating activities relating to restricted species; creating a restricted species task force; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 7, after the period, insert "*Fee receipts must be deposited in the state treasury and credited to the game and fish fund and are appropriated to the commissioner for the purposes of this section.*"

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 502: A bill for an act relating to health; asbestos abatement; modifying provisions relating to asbestos-related work, licenses, and fees; providing penalties; amending Minnesota Statutes 1992, sections 326.71, subdivisions 3, 4, 5, 6, 8, and by adding subdivisions; 326.72; 326.73; 326.74; 326.75; 326.76; 326.78; 326.785; 326.79; 326.80; and 326.81; repealing Minnesota Statutes 1992, sections 326.71, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 21, strike "general" and insert "*state government special revenue*"

Page 12, line 28, delete "*general*" and insert "*state government special revenue*"

Page 14, after line 23, insert:

"Sec. 20. [APPROPRIATION.]

\$264,000 is appropriated from the state government special revenue fund to the commissioner of health to regulate asbestos abatement activities as provided in this act. \$102,000 is for fiscal year 1994 and \$162,000 is for fiscal year 1995."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 264: A bill for an act relating to housing; changing program review requirements; increasing deferred loan limits; expanding the types of eligible users of the homesharing program; expanding the project eligibility of the housing trust fund; authorizing cities to sell single-family residential housing under the neighborhood land trust program; expanding the types of eligible service providers and changing the authorized payment structure of the rental assistance for family stabilization program; increasing the income limits for rental housing assistance; establishing the community rehabilitation fund account; consolidating the blighted residential property and capital reserve programs; authorizing tribal Indian housing demonstration projects; amending Minnesota Statutes 1992, sections 462A.05, subdivisions 14a and 24; 462A.07, subdivision 15; 462A.201, subdivision 2; 462A.202, subdivision 7; 462A.205, subdivisions 2, 3, 4, 5, 6, 7; and by adding subdivisions; 462A.21, subdivisions 4c, 8c, and by adding a subdivision; and 462C.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1992, sections 462A.05, subdivision 37; and 462A.32.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 34, insert:

“Sec. 3. Minnesota Statutes 1992, section 462A.07, subdivision 14, is amended to read:

Subd. 14. [AMERICAN INDIANS.] (a) It may engage in housing programs for low- and moderate-income American Indians developed and administered separately or in combination by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities as determined by such tribe, band, or communities. In furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, it may engage in housing programs for American Indians who intend to reside on reservations and who are not persons of low and moderate income, provided that the aggregate dollar amount of the loans for each lender's fiscal year shall not exceed an amount equal to 25 percent of the total dollar amount of all loans made by that lender during the lender's fiscal year at the time of loan application. In developing such housing programs, the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program (a) content, (b) utilization of funds, (c) administration, (d) operation, (e) implementation and other matter, as determined by the agency, must be submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. All such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees, and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities shall:

(a) (1) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds as set forth in section 462A.26 and to insure compliance with the provisions of this section and this chapter, and

(b) (2) shall agree that all of their official books and records related to such housing programs shall be subjected to audit by the legislative auditor in the manner prescribed for agencies of state government.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses, and services pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in subdivision 3. Members of boards, committees, or other

governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575. Rules promulgated under this subdivision may be promulgated as emergency rules under chapter 14.

(b) The agency may engage in demonstration projects to encourage the participation of financial institutions or other leveraging sources in providing housing opportunities for American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration projects. The income limits specified in paragraph (a) do not apply to the demonstration projects.'

Pages 11 and 12, delete section 15

Page 15, line 8, delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the semicolon, insert "appropriating money;"

Page 1, line 18, delete "subdivision" and insert "subdivisions 14 and"

Page 1, line 21, delete "subdivisions 4c, 8c," and insert "subdivision 8c"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 550, 502 and 264 were read the second time.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1613: Messrs. Kroening, Novak, Metzen, Mses. Anderson and Lesewski.

S.F. No. 1620: Messrs. Cohen, Merriam, Luther, McGowan and Frederickson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Ms. Pappas was excused from the Session of today from 8:30 to 9:45 a.m. Mr. Novak was excused from the Session of today from 8:30 to 9:30 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 10:15 a.m. Mr. Lessard was excused from the Session of today from 9:00 to 9:20 a.m. Mr. Stumpf was excused from the Session of today from 9:30 to 11:00 a.m. Mrs. Pariseau was excused from the Session of today from 11:45 a.m. to 12:00 noon.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Thursday, April 29, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SIXTH DAY

St. Paul, Minnesota, Thursday, April 29, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Audrey Knutson.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hoftinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnson	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

CERTIFICATION

April 28, 1993

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint

Convention on Wednesday, April 28, 1993, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold his or her respective office for the term specified from the first Monday of February, 1993:

Julie Bleyhl, Second Congressional District, Six Years

William Hogan, Third Congressional District, Six Years

Thomas Reagan, Eighth Congressional District, Six Years

Lawrence Perlman, At-Large, Two Years

William Peterson, At-Large, Six Years

Allan H. Spear
President of the Senate

Dee Long
Speaker of the House of Representatives

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 163.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 28, 1993

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. 44: A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

Senate File No. 44 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 28, 1993

Mr. Moe, R.D. moved that S.F. No. 44 be laid on the table. The motion prevailed.

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. 737: A bill for an act relating to motor vehicles; requiring vehicle owner to transfer certificate of title upon gaining ownership to motor vehicle; allowing registrar to research records before responding to phone request; amending Minnesota Statutes 1992, sections 168.10, subdivision 1; 168.34; and 168A.30, subdivision 2.

Senate File No. 737 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 28, 1993

CONCURRENCE AND REPASSAGE

Ms. Johnston moved that the Senate concur in the amendments by the House to S.F. No. 737 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 737 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Moe, R.D.	Samuelson
Anderson	Day	Knutson	Morse	Solon
Beckman	Finn	Laidig	Murphy	Spear
Belanger	Flynn	Langseth	Oliver	Stevens
Benson, J.E.	Frederickson	Larson	Olson	Stumpf
Berg	Hanson	Lesewski	Pariseau	Terwilliger
Bertram	Hottinger	Luther	Piper	Vickerman
Betzold	Johnson, D.E.	Marty	Price	Wiener
Chandler	Johnston	McGowan	Ranum	
Chmielewski	Kelly	Metzen	Robertson	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1042 and 1199.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 28, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committee indicated.

H.F. No. 1042: A bill for an act relating to human services; modifying

provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 349A.08, subdivision 8; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, 12, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 519.11; 548.09, subdivision 1; 548.091, subdivisions 1a and 3a; 588.20; 595.02, subdivision 1; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 673, now on General Orders.

H.F. No. 1199: A bill for an act relating to state government; the legislative commission on employee relations; modifying provisions relating to certain plans; ratifying certain salaries and a bargaining agreement; requiring certain documents; amending Minnesota Statutes 1992, sections 15A.083, subdivision 4; 43A.18, subdivision 4; and 179A.04, subdivision 3; repealing Minnesota Statutes 1992, section 43A.24, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1076, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 504: A bill for an act relating to housing; allowing a county authority to operate certain public housing projects without a city resolution; providing that a housing and redevelopment authority may make down payment assistance loans; changing minimum amounts for certain contract letting procedures; changing requirements for general obligation revenue bonds; amending Minnesota Statutes 1992, sections 469.005, subdivision 1; 469.012, by adding a subdivision; 469.015, subdivisions 1 and 2; and 469.034, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

“Section 1. Minnesota Statutes 1992, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than

hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.5 percent of market value for taxes payable in 1992, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 2.8 percent of market value for taxes payable in 1992, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act or the Minnesota housing finance agency law of 1971, as amended, or rules promulgated by the agency and financed by a direct federal loan or federally insured loan made pursuant to Title II of the Act; or

(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules adopted by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.

This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1990; or (ii) meets

the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents unless the owner of the property elects to have the property assessed under Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii), (3), and (4) may apply to the assessor for valuation under Laws 1991, chapter 291, article 1, section 55. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units. This clause applies only to the property of a nonprofit or limited dividend entity.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics:

(a) it is a nonprofit corporation organized under chapter 317A;

(b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws;

(c) it limits membership with voting rights to residents of the designated community; and

(d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c also includes

commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The first \$100,000 of the market value of the remainder of the cabins or units and a proportionate share of the land on which they are located shall have a class rate of three percent. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the second year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus

housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that (i) each parcel of seasonal residential recreational property not used for commercial purposes under clause (5) has a class rate of 2.2 percent of market value for taxes payable in 1992, and for taxes payable in 1993 and thereafter, the first \$72,000 of market value on each parcel has a class rate of two percent and the market value of each parcel that exceeds \$72,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (8) have a class rate of two percent for taxes payable in 1993 only.

(d) Class 4d property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. For property for which application is made for 4c or 4d classification for taxes payable in 1994 and thereafter, and which was not classified 4c or 4d for taxes payable in 1993, 4c or 4d classification is available only for those units meeting the requirements of section 273.1318.

Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) For taxes payable in 1992, 1993 and 1994, only, buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the assessor to determine qualification under this clause.

(3) Qualifying buildings and appurtenances, together with the land upon which they are located, leased for a period of up to five years by the occupant under a lease-purchase program administered by the Minnesota housing finance agency or a housing and redevelopment authority authorized under sections 469.001 to 469.047, provided the occupant's income is no greater than 80 percent of the county or area median income, adjusted for family size, and the building consists of two or less dwelling units. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. The administering agency shall verify the occupants income eligibility and certify to the county assessor that the occupant meets the income criteria under this paragraph. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. For purposes of this section, "qualifying buildings and appurtenances" shall be defined as one or two unit residential buildings which are unoccupied and have been abandoned and boarded for at least six months.

Class 4d property has a class rate of two percent of market value *except that for taxes payable in 1994 and thereafter, property classified under clause (3), shall have the same class rate as class 1a property.*

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (3); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13; if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316."

Page 5, after line 4, insert:

"Section 1 is effective for taxes levied in 1993, payable in 1994, and thereafter."

Page 5, line 5, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing the property tax classification of certain lease purchase property;"

Page 1, line 9, after "sections" insert "273.13, subdivision 25;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 259: A bill for an act relating to local government; providing for the publication of certain accounts and delinquent property tax information; amending Minnesota Statutes 1992, sections 281.13; 281.23, subdivision 3; and 375.17.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 665: A bill for an act relating to housing; providing for a metropolitan community stabilization program; amending Minnesota Statutes 1992, sections 462A.21, by adding a subdivision; and 473.249, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 34, delete "Fifty" and insert "Twenty-five"

Page 4, after line 14, insert:

"Sec. 5. [STAFF DEVELOPMENT.]

(a) Notwithstanding section 2, with respect to taxes levied in 1994 under Minnesota Statutes, section 473.249, subdivision 2:

(1) 45 percent of the tax collected must be transferred to the Minnesota housing finance agency deposit in the metropolitan area housing fund account established in section 3; and

(2) five percent of the tax collected must be used for staff development and replacement in accordance with Minnesota Statutes, section 43A.045.

(b) With respect to taxes levied in years subsequent to 1994, 50 percent must be transferred to the Minnesota housing finance agency in accordance with section 2.

(c) A reduction in the budget of the metropolitan council resulting from the transfer and use of tax revenues in accordance with this section and section 2 may not require the layoff of classified employees or unclassified employees covered by a collective bargaining agreement except as provided in a plan negotiated under Minnesota Statutes, chapter 179A, that provides options to layoff for employees who would be affected."

Page 4, line 16, before the period, insert "and thereafter"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Metropolitan and Local Government. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 826: A bill for an act relating to counties; allowing counties to impose fees or interest on late payments; amending Minnesota Statutes 1992, section 373.41.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after "overdue" insert " , provided that late property tax payments remain subject only to the penalty and interest provisions of chapters 277 and 279"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 998: A bill for an act relating to the city of Saint Paul; providing for a housing rehabilitation program; authorizing the issuance of general obligation bonds.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 16, delete "5" and insert "4"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1284: A bill for an act relating to local government; providing for the use of raffles to provide funds for certain recreational property and facilities; establishing a dedicated fund in the city of Garrison to meet city expenses to pay for construction and maintenance of a city sewer system; permitting a one percent local sales tax in the city of Garrison upon approval by the city council; providing for a sunset on the tax; amending Minnesota Statutes 1992, section 471.15.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CITY OF GARRISON; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Garrison may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized under subdivision 1 must be dedicated by the city to pay the cost of collecting the tax and to pay all or part of the expenses of the construction of a sewer system in the city, including payment of principal and interest on loans received by the city to construct the sewer system.

Subd. 3. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] A sales tax imposed under this section must be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY.] The authority granted by this section to the city of Garrison to impose a sales tax expires when the principal and interest on any bonds or obligations issued to finance the construction of the sewer system have been paid, or at an earlier time as the city shall, by resolution, determine. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Subd. 5. [REFERENDUM.] If the governing body of the city of Garrison intends to impose the sales tax authorized by this act, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a special or general election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1993.

Subd. 6. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Garrison."

Amend the title as follows:

Page 1, delete lines 2 to 10 and insert "relating to the city of Garrison; establishing a dedicated fund to meet city expenses to pay for construction and maintenance of a city sewer system; permitting a one percent local sales tax in the city."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 125 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
125	153				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 125 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 125 and insert the language after the enacting clause of S.F. No. 153, the first engrossment; further, delete the title of H.F. No. 125 and insert the title of S.F. No. 153, the first engrossment.

And when so amended H.F. No. 125 will be identical to S.F. No. 153, and further recommends that H.F. No. 125 be given its second reading and substituted for S.F. No. 153, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 287 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
287		271			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 287 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 287 and insert the language after the enacting clause of S.F. No. 271, the first engrossment; further, delete the title of H.F. No. 287 and insert the title of S.F. No. 271, the first engrossment.

And when so amended H.F. No. 287 will be identical to S.F. No. 271, and further recommends that H.F. No. 287 be given its second reading and substituted for S.F. No. 271, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1523 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1523		1135			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1523 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1523 and insert the language after the enacting clause of S.F. No. 1135, the first engrossment; further, delete the title of H.F. No. 1523 and insert the title of S.F. No. 1135, the first engrossment.

And when so amended H.F. No. 1523 will be identical to S.F. No. 1135, and further recommends that H.F. No. 1523 be given its second reading and substituted for S.F. No. 1135, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 826, 998 and 1284 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 504, 259, 125, 287 and 1523 were read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 403 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 403: A bill for an act relating to housing and hotels; amending reasons for innkeeper ejection and refusal to admit persons; establishing parent or guardian responsibility for guests who are minors; establishing liability for damage to hotel or personal property or injury to persons; increasing the penalty for setting fire to hotel belongings; requiring notice; amending Minnesota Statutes 1992, sections 327.70, subdivision 3, and by adding a subdivision; 327.73, subdivisions 1 and 2; and 327.74, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 327.

Mr. Hottinger moved to amend S.F. No. 403 as follows:

Page 3, lines 25 and 30, after "who" insert "*negligently or intentionally*"

The motion prevailed. So the amendment was adopted.

S.F. No. 403 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Morse	Robertson
Anderson	Dille	Kroening	Murphy	Sams
Beckman	Finn	Langseth	Neuville	Samuelson
Belanger	Flynn	Larson	Oliver	Solon
Benson, D.D.	Frederickson	Lesewski	Olson	Spear
Benson, J.E.	Hanson	Luther	Pariseau	Stevens
Berg	Hottinger	Marty	Piper	Stumpf
Bertram	Johnson, J.B.	Merriam	Price	Terwilliger
Betzold	Johnston	Metzen	Ranum	Vickerman
Chandler	Kelly	Moe, R.D.	Reichgott	Wiener
Chmielewski	Kiscaden	Mondale	Riveness	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 470 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 470: A bill for an act relating to elections; changing the time and date of the precinct caucuses; amending Minnesota Statutes 1992, section 202A.14, subdivision 1.

Ms. Robertson moved to amend S.F. No. 470 as follows:

Page 1, after line 24, insert:

"Sec. 2. Minnesota Statutes 1992, section 202A.18, subdivision 2, is amended to read:

Subd. 2. Nominations for the election of permanent officers and delegates shall remain open for at least the first quarter hour of the caucus. Election of delegates and alternates must begin within one hour of convening a caucus. ~~Election of delegates and alternates may begin one-half hour after the convening of the caucus.~~"

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

S.F. No. 470 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Morse	Sams
Anderson	Finn	Kroening	Murphy	Samuelson
Beckman	Flynn	Laidig	Neuville	Solon
Benson, D.D.	Frederickson	Larson	Novak	Stevens
Benson, J.E.	Hanson	Lesewski	Oliver	Stumpf
Berg	Hottinger	Luther	Olson	Terwilliger
Bertram	Janezich	Marty	Pariseau	Vickerman
Betzold	Johnson, D.E.	McGowan	Piper	Wiener
Chandler	Johnson, J.B.	Merriam	Price	
Chmielewski	Johnston	Metzen	Ranum	
Cohen	Kelly	Moe, R.D.	Riveness	
Day	Kiscaden	Mondale	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1720 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1720: A bill for an act relating to metropolitan government; requiring at least one member of metropolitan transit commission to be disabled user of transit system; amending Minnesota Statutes 1992, section 473.404, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Riveness
Anderson	Dille	Knutson	Mondale	Robertson
Beckman	Finn	Kroening	Morse	Runbeck
Belanger	Flynn	Laidig	Murphy	Sams
Benson, D.D.	Frederickson	Langseth	Neuville	Samuelson
Benson, J.E.	Hanson	Larson	Novak	Solon
Berg	Hottinger	Lescwski	Oliver	Spear
Berglin	Janezich	Lessard	Olson	Stevens
Bertram	Johnson, D.E.	Luther	Pariseau	Stumpf
Betzold	Johnson, D.J.	Marty	Piper	Vickerman
Chandler	Johnson, J.B.	McGowan	Price	Wiener
Chmielewski	Johnston	Merriam	Ranum	
Cohen	Kelly	Metzen	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 454 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 454: A bill for an act relating to economic development; requiring a summary of performance measures for business loan or grant programs from the department of trade and economic development; amending Minnesota Statutes 1992, section 116J.58, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Morse	Runbeck
Anderson	Finn	Kroening	Murphy	Sams
Beckman	Flynn	Laidig	Neuville	Samuelson
Belanger	Frederickson	Langseth	Novak	Solon
Benson, D.D.	Hanson	Larson	Oliver	Spear
Benson, J.E.	Hottinger	Lescwski	Olson	Stevens
Berg	Janezich	Lessard	Pariseau	Stumpf
Berglin	Johnson, D.E.	Luther	Piper	Terwilliger
Bertram	Johnson, D.J.	Marty	Price	Vickerman
Betzold	Johnson, J.B.	McGowan	Ranum	Wiener
Chandler	Johnston	Merriam	Reichgott	
Cohen	Kelly	Metzen	Riveness	
Day	Kiscaden	Mondale	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 175 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 175: A bill for an act relating to crimes; creating a felony level offense for repeat fifth-degree assault offenders; amending Minnesota Statutes 1992, section 609.224, subdivision 2, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Mondale	Riveness
Anderson	Finn	Kroening	Morse	Robertson
Beckman	Flynn	Laidig	Murphy	Runbeck
Belanger	Frederickson	Langseth	Neuville	Sams
Benson, D.D.	Hanson	Larson	Novak	Samuelson
Benson, J.E.	Hottinger	Lesewski	Oliver	Solon
Berg	Johnson, D.E.	Lessard	Olson	Spear
Bertram	Johnson, D.J.	Luther	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	McGowan	Price	Terwilliger
Cohen	Kelly	Merriam	Ranum	Vickerman
Day	Kiscaden	Metzen	Reichgott	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1077 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1077: A bill for an act relating to human services; regulating child care programs; requiring an interpretive memoranda study; providing for a vulnerable adult study; amending Minnesota Statutes 1992, sections 245A.02, subdivisions 6a and 14; 245A.03, subdivision 2; 245A.04, subdivision 3; 245A.06, subdivision 2; 245A.09, subdivision 7; 245A.14, subdivision 6; and 245A.16, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Runbeck
Anderson	Dille	Kroening	Murphy	Sams
Beckman	Finn	Laidig	Neuville	Samuelson
Belanger	Flynn	Langseth	Novak	Solon
Benson, D.D.	Frederickson	Larson	Oliver	Spear
Benson, J.E.	Hanson	Lesewski	Olson	Stevens
Berg	Hottinger	Lessard	Pariseau	Stumpf
Berglin	Johnson, D.E.	Luther	Piper	Terwilliger
Bertram	Johnson, D.J.	Marty	Price	Vickerman
Betzold	Johnson, J.B.	McGowan	Ranum	Wiener
Chandler	Johnston	Merriam	Reichgott	
Chmielewski	Kelly	Metzen	Riveness	
Cohen	Kiscaden	Mondale	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 113 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 113: A bill for an act relating to traffic regulations; specifying that

a pedestrian lawfully in a crosswalk with pedestrian control signals must be given the right-of-way by all vehicles; amending Minnesota Statutes 1992, section 169.06, subdivision 6.

Mr. Cohen moved to amend H.F. No. 113 as follows:

Pages 1 and 2, delete section 2

The motion prevailed. So the amendment was adopted.

H.F. No. 113 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Robertson
Anderson	Dille	Kroening	Morse	Runbeck
Beckman	Finn	Laidig	Murphy	Sams
Belanger	Flynn	Langseth	Neuville	Samuelson
Benson, D.D.	Frederickson	Larson	Novak	Spear
Benson, J.E.	Hanson	Lesewski	Olson	Stevens
Berg	Hottinger	Lessard	Pappas	Stumpf
Berglin	Johnson, D.E.	Luther	Pariseau	Terwilliger
Bertram	Johnson, D.J.	Marty	Piper	Vickerman
Betzold	Johnson, J.B.	McGowan	Price	Wiener
Chandler	Johnston	Merriam	Ranum	
Chmielewski	Kelly	Metzen	Reichgott	
Cohen	Kiscaden	Moe, R.D.	Riveness	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 9 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 9: A bill for an act relating to insurance; health; requiring coverage for elimination or treatment of port-wine stains; proposing coding for new law in Minnesota Statutes, chapter 62A.

Ms. Piper moved to amend H.F. No. 9, the unofficial engrossment, as follows:

Page 1, line 20, after "increase" insert "rates due to"

The motion prevailed. So the amendment was adopted.

H.F. No. 9 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Reichgott
Anderson	Dille	Knutson	Mondale	Riveness
Beckman	Finn	Kroening	Morse	Runbeck
Belanger	Flynn	Laidig	Murphy	Sams
Benson, J.E.	Frederickson	Langseth	Novak	Solon
Berg	Hanson	Larson	Oliver	Spear
Berglin	Hottinger	Lesewski	Olson	Stevens
Bertram	Johnson, D.E.	Lessard	Pappas	Stumpf
Betzold	Johnson, D.J.	Luther	Pariseau	Vickerman
Chandler	Johnson, J.B.	Marty	Piper	Wiener
Chmielewski	Johnston	McGowan	Price	
Cohen	Kelly	Metzen	Ranum	

Those who voted in the negative were:

Benson, D.D.	Neuville	Robertson	Samuelson	Terwilliger
Merriam				

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1074 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1074: A bill for an act relating to natural resources; management of state-owned lands by the department of natural resources; private use of state trails; appropriating money; amending Minnesota Statutes 1992, sections 84.0273; 84.632; 85.015, by adding a subdivision; 86A.05, subdivision 14; 92.06, subdivision 1; 92.14, subdivision 2; 92.19; 92.29; 92.67, subdivision 5; 94.10; 94.11; 94.13; 94.343, subdivision 3; 94.348, subdivision 2; and 97A.135, subdivision 2, and by adding a subdivision.

Mr. Price moved to amend S.F. No. 1074 as follows:

Page 10, line 6, delete "*values of the*"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 1074 as follows:

Page 11, line 5, after "*the*" insert "*disposal of the*" and delete "*no*"

Page 11, line 6, delete everything before the period and insert "*is in the public interest*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend S.F. No. 1074 as follows:

Page 2, after line 25, insert:

"Sec. 3. [85.013] [Subd. 18a] MOOSE LAKE STATE RECREATION AREA, CARLTON COUNTY. *The following area is deleted from Moose Lake state recreation area: The Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of Section 22.*"

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "deletion of land from Moose Lake state recreation area;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1074 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Moe, R.D.	Riveness
Anderson	Day	Knutson	Morse	Robertson
Beckman	Dille	Laidig	Murphy	Runbeck
Belanger	Finn	Langseth	Neuville	Sams
Benson, D.D.	Flynn	Larson	Novak	Samuelson
Benson, J.E.	Frederickson	Lesewski	Oliver	Solon
Berg	Hanson	Lessard	Olson	Spear
Berglin	Hottinger	Luther	Pappas	Stevens
Bertram	Johnson, D.J.	Marty	Pariseau	Stumpf
Betzold	Johnson, J.B.	McGowan	Price	Terwilliger
Chandler	Johnston	Merriam	Ranum	Vickerman
Chmielewski	Kelly	Metzen	Reichgott	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1262 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1262: A bill for an act relating to the metropolitan transit commission; authorizing the commission to appoint peace officers and establish a law enforcement agency; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1992, section 629.40, subdivision 5.

Ms. Anderson moved to amend S.F. No. 1262 as follows:

Page 1, line 11, after "The" insert "metropolitan"

Page 1, line 19, delete "metropolitan transit"

Page 1, line 24, delete "metropolitan"

Page 2, line 4, delete "metropolitan transit"

Page 2, line 7, delete "metropolitan"

Page 2, line 16, delete "metropolitan transit"

The motion prevailed. So the amendment was adopted.

S.F. No. 1262 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Murphy	Sams
Anderson	Dille	Kroening	Neuville	Samuelson
Beckman	Finn	Langseth	Novak	Solon
Belanger	Flynn	Larson	Oliver	Spear
Benson, D.D.	Frederickson	Lesewski	Olson	Stevens
Benson, J.E.	Hanson	Lessard	Pappas	Stumpf
Berg	Hottinger	Luther	Pariseau	Terwilliger
Berglin	Johnson, D.E.	Marty	Piper	Vickerman
Bertram	Johnson, D.J.	McGowan	Price	Wiener
Betzold	Johnson, J.B.	Merriam	Ranum	
Chandler	Johnston	Metzen	Riveness	
Chmielewski	Kiscaden	Moe, R.D.	Robertson	
Cohen	Knutson	Morse	Runbeck	

Ms. Reichgott voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1000 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1000: A bill for an act relating to real estate; regulating fees, licenses, and agreements; requiring certain disclosures; providing for meetings of the real estate appraiser advisory board; changing terms; regulating fees and licenses; amending Minnesota Statutes 1992, sections 82.17, subdivision 4, and by adding subdivisions; 82.19, subdivision 5, and by adding subdivisions; 82.20, subdivision 15; 82.21, subdivision 1, and by adding a subdivision; 82.22, subdivisions 6 and 13; 82.24, subdivision 1; 82.27, subdivision 1; 82.33, subdivision 2, and by adding subdivisions; 82.34, subdivisions 3 and 7; 82B.02, by adding a subdivision; 82B.035, by adding a subdivision; 82B.05, subdivision 5; 82B.11; 82B.14; 82B.19, subdivision 2; and 507.45, subdivision 4; Laws 1992, chapter 555, article 1, section 12; proposing coding for new law in Minnesota Statutes, chapter 82; repealing Minnesota Statutes 1992, sections 82.22, subdivision 7; and 462A.201, subdivision 5; Minnesota Rules, part 2805.1200.

Mr. Luther moved to amend S.F. No. 1000 as follows:

Page 19, line 7, after "receive" insert "

(1) at least two hours of training every year in courses in laws or regulations on agency representation and disclosure; and

(2)"

The motion prevailed. So the amendment was adopted.

Mr. Chandler moved to amend S.F. No. 1000 as follows:

Page 10, line 26, before "If" insert "Should the possibility of dual agency arise, you have the right to decide at that time whether or not to agree to a dual agency for each specific transaction."

Page 11, line 10, after ".....(Broker)....." insert "If you agree to dual agency, the broker and its salespersons cannot tell you confidential information that they may know about the buyer (motivation to buy; time; terms; negotiating strategy) without the written permission of the buyer. For

example, the broker and its salespeople cannot tell you the highest price or terms that the buyer would be willing to offer.

If you agree to dual agency, the broker and its salespersons cannot tell you confidential information that they may know about the seller (motivation to sell; price/terms; negotiating strategy) without the written permission of the seller. For example, the broker and its salespersons cannot tell you the lowest price or terms the seller would be willing to accept."

Page 12, line 3, before "If" insert "Should the possibility of dual agency arise, you have the right to decide at that time whether or not to agree to a dual agency for each specific transaction."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 52, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Knutson	Luther	Murphy
Belanger	Chandler	Krentz	Marty	Ranum

Those who voted in the negative were:

Adkins	Finn	Laidig	Oliver	Samuelson
Beckman	Frederickson	Langseth	Olson	Solon
Benson, D.D.	Hanson	Larson	Pappas	Spear
Benson, J.E.	Hottinger	Lesewski	Pariseau	Stevens
Berg	Janezich	Lessard	Piper	Stumpf
Berglin	Johnson, D.E.	McGowan	Price	Terwilliger
Bertram	Johnson, D.J.	Merriam	Reichgott	Vickerman
Chmielewski	Johnston	Metzen	Riveness	Wiener
Cohen	Kelly	Moe, R.D.	Robertson	
Day	Kiscaden	Neuville	Runbeck	
Dille	Kroening	Novak	Sams	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1000 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Riveness
Anderson	Dille	Krentz	Mondale	Robertson
Beckman	Finn	Kroening	Murphy	Runbeck
Belanger	Flynn	Laidig	Neuville	Sams
Benson, D.D.	Frederickson	Langseth	Novak	Samuelson
Benson, J.E.	Hanson	Larson	Oliver	Solon
Berg	Hottinger	Lesewski	Olson	Spear
Berglin	Janezich	Lessard	Pappas	Stevens
Bertram	Johnson, D.E.	Luther	Pariseau	Stumpf
Betzold	Johnson, D.J.	Marty	Piper	Terwilliger
Chandler	Johnston	McGowan	Price	Vickerman
Chmielewski	Kelly	Merriam	Ranum	Wiener
Cohen	Kiscaden	Metzen	Reichgott	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1437 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1437: A bill for an act relating to utilities; requiring cooperative electric associations and municipal utilities to comply with standards set by public utilities commission relating to electrical current or voltage; regulating public utility commission procedures and filings; regulating affiliated interests of public utilities; providing for interim rates; amending Minnesota Statutes 1992, sections 216B.09; 216B.16, subdivisions 1, 1a, 2, and 3; 216B.43; and 216B.48, subdivisions 1 and 4.

Mr. Novak moved to amend S.F. No. 1437 as follows:

Page 7, after line 21, insert:

"Sec. 6. Minnesota Statutes 1992, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. [LARGE ENERGY FACILITY.] "Large energy facility" means:

(a) any electric power generating plant or combination of plants at a single site with a combined capacity of 80,000 kilowatts or more, or any facility of ~~5,000~~ 50,000 kilowatts or more which requires oil, natural gas, or natural gas liquids as a fuel and for which an installation permit has not been applied for by May 19, 1977 pursuant to Minn. Reg. APC 3(a);

(b) any high voltage transmission line with a capacity of 200 kilovolts or more and with more than 50 miles of its length in Minnesota; or, any high voltage transmission line with a capacity of 300 kilovolts or more with more than 25 miles of its length in Minnesota;

(c) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil or their derivatives;

(d) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

(e) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

(f) any underground gas storage facility requiring permit pursuant to section 103I.681;

(g) any nuclear fuel processing or nuclear waste storage or disposal facility; and

(h) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 7. Minnesota Statutes 1992, section 216B.2421, is amended by adding a subdivision to read:

Subd. 3. [MULTIFUEL FACILITIES; PRIMARY FUEL SOURCE.] If more than one fuel source would be used for any electric power generating plant or combination of plants at a single site, the primary fuel source determines whether the facility is a large energy facility."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "providing that primary fuel source determines whether power generating plant is a large energy facility for purposes of certificate of need process;"

Page 1, line 10, after the first semicolon, insert "216B.2421, subdivision 2, and by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1437 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Runbeck
Anderson	Dille	Krentz	Murphy	Sams
Beckman	Finn	Kroening	Neuville	Samuelson
Belanger	Flynn	Laidig	Novak	Solon
Benson, D.D.	Frederickson	Langseth	Oliver	Spear-
Benson, J.E.	Hanson	Lesewski	Olson	Stevens
Berg	Hottinger	Lessard	Pappas	Stumpf
Bermlin	Janezich	Luther	Pariseau	Terwilliger
Bertram	Johnson, D.E.	Marty	Piper	Vickerman
Betzold	Johnson, D.J.	McGowan	Ranum	Wiener
Chandler	Johnston	Merriam	Reichgott	
Chmielewski	Kelly	Metzen	Riveness	
Cohen	Kiscaden	Moe, R.D.	Robertson	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 430 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 430: A bill for an act relating to human services; requiring the department of health and human services to develop plans to reduce duplication and paperwork in reviews conducted.

Mr. Samuelson moved to amend H.F. No. 430 as follows:

Page 1, after line 18, insert:

"Sec. 2. [STUDY OF FOOD INSPECTIONS.]

The commissioner of health, in cooperation with the commissioner of agriculture, affected local health departments, and representatives of state-wide organizations for the businesses that are inspected, shall study and report to the legislature by February 1, 1994, on the current system for regulating and inspecting grocery stores and food, beverage, and lodging establishments. The study shall analyze the current system and determine whether or not the system could be improved (1) through better coordination of various inspection responsibilities; (2) by assigning to either the commissioner of health or the commissioner of agriculture the responsibility to conduct all food-related inspections; or (3) by adopting other modifications that the report shall recommend."

Page 1, line 19, delete "2" and insert "3"

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 2, delete "department" and insert "departments"

The motion prevailed. So the amendment was adopted.

H.F. No. 430 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Riveness
Anderson	Dille	Krentz	Murphy	Robertson
Beckman	Finn	Kroening	Neuville	Runbeck
Belanger	Flynn	Laidig	Novak	Sams
Benson, D.D.	Frederickson	Langseth	Oliver	Samuelson
Benson, J.E.	Hanson	Larson	Olson	Solon
Berglin	Hottinger	Lesewski	Pappas	Spear
Bertram	Johnson, D.E.	Luther	Pariseau	Stevens
Betzold	Johnson, D.J.	Marty	Piper	Stumpf
Chandler	Johnston	McGowan	Price	Terwilliger
Chmielewski	Kelly	Merriam	Ranum	Vickerman
Cohen	Kiscaden	Metzen	Reichgott	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1153 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1153: A bill for an act relating to civil actions; clarifying the limits on recovery for economic loss caused by components of manufactured goods; amending Minnesota Statutes 1992, section 604.10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Reichgott
Anderson	Dille	Krentz	Neuville	Riveness
Beckman	Finn	Kroening	Novak	Robertson
Belanger	Flynn	Laidig	Oliver	Runbeck
Benson, D.D.	Frederickson	Langseth	Olson	Sams
Benson, J.E.	Hanson	Larson	Pappas	Spear
Berg	Hottinger	Lesewski	Pariseau	Stevens
Berglin	Johnson, D.J.	Luther	Piper	Stumpf
Bertram	Johnston	Marty	Pogemiller	Terwilliger
Betzold	Kelly	Merriam	Price	Vickerman
Chandler	Kiscaden	Metzen	Ranum	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 643 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 643: A bill for an act relating to commerce; making technical changes in the department's enforcement powers; regulating cosmetology; prescribing powers and duties; setting fees; amending Minnesota Statutes 1992, sections 45.011, subdivision 1, and by adding a subdivision; 45.027, subdivisions 1, 2, 5, 6, and 8; 155A.03, subdivision 1; 155A.05; 155A.06; 155A.07, subdivisions 2, 4, 7, and 8; 155A.08, subdivisions 2 and 5; 155A.09, subdivisions 2, 5, 6, and 9; 155A.10; 155A.14; 155A.15; and 155A.16; proposing coding for new law in Minnesota Statutes, chapter 155A; repealing Minnesota Statutes 1992, sections 155A.11; 155A.12; 155A.13; and 155A.18; Minnesota Rules, parts 2642.0310, subparts 3, 4, and 5; 2642.0330, subparts 3 and 4; 2642.0800; 2642.0810; 2644.0310, subparts 2, 3, and 4; 2644.0800; and 2644.0810.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Novak	Runbeck
Anderson	Dille	Kroening	Oliver	Sams
Beckman	Finn	Larson	Olson	Solon
Belanger	Flynn	Lesewski	Pappas	Spear
Benson, D.D.	Frederickson	Luther	Pariseau	Stevens
Benson, J.E.	Hanson	Marty	Piper	Stumpf
Berg	Hottinger	Merriam	Pogemiller	Terwilliger
Bertram	Johnson, D.J.	Metzen	Price	Vickerman
Betzold	Johnston	Moe, R.D.	Ranum	Wiener
Chandler	Kelly	Mondale	Reichgott	
Chmielewski	Kiscaden	Murphy	Rivness	
Cohen	Knutson	Neuville	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 969 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 969: A bill for an act relating to transportation; adopting federal motor carrier safety regulations; allowing small motor carriers to file abbreviated annual reports; providing for registration of interstate motor carriers; defining terms; allowing 45-foot buses to be operated in the state; exempting drivers of lightweight vehicles from driver qualification rules; requiring information on shipping documents and other motor carrier records; making technical changes; imposing penalties; amending Minnesota Statutes 1992, sections 168.011, subdivision 36; 168.1281, subdivision 3; 169.781, subdivision 3; 169.81, subdivision 2; 221.011, by adding subdivisions; 221.031; subdivisions 1, 2, 2a, 2b, 3, 3a, 3b, 3c, 5, and 6; 221.0313, subdivision 1; 221.033, subdivisions 2 and 2a; 221.035, subdivision 2; 221.036, subdivisions 1 and 3; 221.172; 221.81, subdivision 3e; proposing

coding for new law in Minnesota Statutes, chapter 221; repealing Laws 1992, chapters 568, section 1; and 578, section 15.

Mr. Belanger moved to amend H.F. No. 969, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1504.)

Page 18, delete lines 8 and 9

Page 18, line 10, delete everything before "*name*" and insert:

"(9) *the*"

Page 18, line 11, before the period, insert "; and

(10) *after January 1, 1994, any terminals through which the shipment moved*"

Page 18, line 25, delete "*give a brief statement of*" and insert "*indicate*"

The motion prevailed. So the amendment was adopted.

Mr. Metzger moved to amend H.F. No. 969, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1504.)

Page 2, after line 4, insert:

"Sec. 3. Minnesota Statutes 1992, section 169.01, subdivision 52, is amended to read:

Subd. 52. [TOW TRUCK OR TOWING VEHICLE.] "Tow truck" or "towing vehicle" means a motor vehicle having a manufacturer's gross vehicle weight rating of 8,000 pounds or more, equipped with a crane and winch, or an attached device used exclusively to transport vehicles, and further equipped to control the movement of the towed or transported vehicle."

Page 3, after line 32, insert:

"Sec. 7. Minnesota Statutes 1992, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(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 and when carrying proper and legal warning devices or (2)

vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) the transportation of property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board; and

(o) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation."

Reumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "defining exempt carriers to include certain tow trucks;"

Page 1, line 12, after the second semicolon, insert "169.01, subdivision 52;"

Page 1, line 14, after the semicolon, insert "221.025;"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 969, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1504.)

Page 1, after line 21, insert:

"Section 1. Minnesota Statutes 1992, section 164.06, subdivision 2, is amended to read:

Subd. 2. [EXTINGUISHING INTEREST IN ABANDONED ROAD.] After providing notice under section 366.01, subdivision 8, the town board may by resolution disclaim and extinguish a town interest in a town road without action under subdivision 1 if:

- (1) the extinguishment is found by the town board to be in the public interest;
- (2) the interest is not a fee interest;
- (3) the interest was established more than 25 years earlier;
- (4) the interest is not recorded or filed with the county recorder;
- (5) no road improvement has been constructed on a right-of-way affected by the interest *within the last 25 years*; and
- (6) no road maintenance on a right-of-way affected by the interest has occurred within the last 25 years.

The resolution shall be filed and recorded with the county auditor and recorder."

Renumber the sections in sequence and correct the internal references

Amend the title as follow:

Page 1, line 12, before "168.011" insert "164.06, subdivision 2;"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 969, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1504.)

Page 1, after line 21, insert:

"Section 1. Minnesota Statutes 1992, section 162.081, subdivision 4, is amended to read:

Subd. 4. [FORMULA FOR DISTRIBUTION TO TOWNS; PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors the county board deems advisable in the

interests of achieving equity among the towns. Distribution of town road funds to each town treasurer must be made by March 1, annually, or within 30 days after receipt of payment from the commissioner. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied *for taxes payable* in the previous year for road and bridge purposes at least 0.04835 percent of taxable market value.

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing requirement for town road account distributions;"

Page 1, line 11, after "sections" insert "162.081, subdivision 4;"

The motion prevailed. So the amendment was adopted.

H.F. No. 969 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Murphy	Runbeck
Anderson	Dille	Krentz	Neuville	Sams
Beckman	Finn	Langseth	Oliver	Solon
Belanger	Flynn	Larson	Olson	Spear
Benson, D.D.	Frederickson	Lesewski	Pappas	Stevens
Benson, J.E.	Hanson	Lessard	Pariseau	Terwilliger
Berg	Hottinger	Luther	Piper	Vickerinan
Bertram	Janezich	Marty	Price	Wiener
Betzold	Johnson, D.E.	McGowan	Ranum	
Chandler	Johnson, D.J.	Metzen	Reichgott	
Chmielewski	Kelly	Moe, R.D.	Riveness	
Cohen	Kiscaden	Mondale	Robertson	

Ms. Johnston, Messrs. Kroening, Merriam and Novak voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 480 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 480: A bill for an act relating to workers' compensation; requiring appointment of guardians and conservators for minors and incapacitated persons; amending Minnesota Statutes 1992, sections 176.091; 176.111, subdivision 5; and 176.521, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 176; and 525.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Mondale	Robertson
Anderson	Finn	Krentz	Neuville	Runbeck
Beckman	Flynn	Kroening	Novak	Sams
Belanger	Frederickson	Langseth	Oliver	Spear
Benson, D.D.	Hanson	Larson	Olson	Stevens
Benson, J.E.	Hottinger	Lesewski	Pappas	Terwilliger
Bertram	Janezich	Luther	Pariseau	Vickerman
Betzold	Johnson, D.E.	Marty	Piper	Wiener
Chandler	Johnson, D.J.	McGowan	Price	
Chmielewski	Johnston	Merriam	Ranum	
Cohen	Kelly	Metzen	Reichgott	
Day	Kiscaden	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1036 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1036: A bill for an act relating to commerce; trade practices; regulating transfers and sales of recordings; prescribing penalties; amending Minnesota Statutes 1992, sections 325E.17; 325E.18; 325E.19; and 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E; repealing Minnesota Statutes 1992, section 325E.20.

Mr. Cohen moved to amend S.F. No. 1036 as follows:

Page 2, line 5, strike "to"

Page 2, line 6, strike "for commercial purposes" and insert "to"

Page 2, line 11, after "(2)" insert "to"

Page 2, line 24, before "to" insert "*for commercial purposes*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1036 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Novak	Sams
Anderson	Finn	Kroening	Oliver	Samuelson
Beckman	Flynn	Larson	Olson	Solon
Belanger	Frederickson	Lesewski	Pappas	Spear
Benson, D.D.	Hanson	Luther	Pariseau	Stevens
Benson, J.E.	Hottinger	Marty	Piper	Terwilliger
Berglin	Janezich	McGowan	Price	Vickerman
Bertram	Johnson, D.E.	Merriam	Ranum	Wiener
Betzold	Johnson, D.J.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Cohen	Kelly	Mondale	Robertson	
Day	Knutson	Neuville	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 190 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 190: A bill for an act relating to government data practices; providing that certain criminal conviction data are public; providing that a record of conviction of certain crimes and other determinations disqualify an individual from obtaining certain human services licenses; providing for access to certain data on day care and foster care licensees; amending Minnesota Statutes 1992, sections 13.46, subdivision 4; 13.87, subdivision 2; and 245A.04, subdivision 3b.

Mr. Cohen moved to amend S.F. No. 190 as follows:

Amend the title as follows:

Page 1, line 2, delete "government data practices" and insert "background checks"

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend S.F. No. 190 as follows:

Page 3, delete section 2

Page 6, after line 32, insert:

"Sec. 3. [CRIMINAL HISTORY RECORD ACCESS STUDY.]

The criminal and juvenile justice information policy group shall study and make recommendations on the desirability and feasibility of making criminal conviction data maintained by the bureau of criminal apprehension accessible to the public. The study must include:

- (1) public safety concerns;*
- (2) the effect of public access on employability and reintegration of offenders in the community;*
- (3) the discriminatory impact of public access on different racial groups; and*
- (4) the need for applying the criminal offenders rehabilitation act in Minnesota Statutes, chapter 364, to private employers or for providing other remedies for employees who may be the subject of adverse action based on criminal history background checks.*

The policy group shall report to the legislature under this section by January 15, 1994."

Page 6, line 35, delete everything after the first period

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Ranum moved to amend the Marty amendment to S.F. No. 190 as follows:

Page 1, delete line 2

Page 1, line 4, delete "3" and insert "4"

Page 1, line 22, delete everything after the second comma and insert "delete "December 31, 1993" and insert "June 1, 1994"'"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Marty amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Marty moved to amend S.F. No. 190 as follows:

Page 3, after line 20, insert:

"Sec. 3. [181.97] [EMPLOYER USE OF CRIMINAL CONVICTION DATA.]

An employer who obtains criminal conviction data about an applicant for a job may use the data in making a decision to hire the applicant only to the extent that the data relate to the applicant's suitability for the position. An employer shall notify an applicant in writing if a decision not to hire the applicant is based in whole or in part on the criminal conviction data and shall advise the applicant of the applicant's right to access the data and right to correct inaccurate or incomplete data under sections 13.03 and 13.04. This section does not apply to public employers subject to chapter 364."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

S.F. No. 190 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Reichgott
Anderson	Dille	Krentz	Mondale	Riveness
Beckman	Finn	Kroening	Morse	Robertson
Belanger	Flynn	Laidig	Murphy	Runbeck
Benson, D.D.	Frederickson	Langseth	Neuville	Sams
Benson, J.E.	Hanson	Larson	Novak	Samuelson
Berg	Hottinger	Lesewski	Oliver	Spear
Berglin	Janezich	Lessard	Olson	Stevens
Bertram	Johnson, D.E.	Luther	Pappas	Stumpf
Betzold	Johnson, D.J.	Marty	Pariseau	Terwilliger
Chandler	Johnston	McGowan	Piper	Vickerman
Chmielewski	Kelly	Merriam	Price	Wiener
Cohen	Kiscaden	Metzen	Ranum	

So the bill, as amended, was passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1570 at 10:00 a.m.:

Messrs. Laidig, Lessard, Merriam, Morse and Ms. Johnson, J.B. The motion prevailed. 4

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1420 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1420: A bill for an act relating to probate; providing for determination of reasonable compensation for certain guardians and conservators; changing provisions for guardians and conservators of certain institutionalized persons; amending Minnesota Statutes 1992, sections 525.54, subdivisions 1 and 3; 525.544, subdivision 2; 525.58, subdivision 4; and 525.703, subdivisions 2 and 3.

Mr. Cohen moved to amend H.F. No. 1420 as follows:

Page 2, line 17, delete "the" and insert "an indigent"

Page 2, line 21, delete "adult protection services" and insert "the county human services agency, to the extent the agency provides these services"

Page 4, line 2, delete "adult protection workers" and insert "human services agency"

Page 4, line 3, delete "local adult protection unit" and insert "county human services agency"

Page 4, line 33, after "compensation" insert "for a guardian or conservator of an indigent person"

Page 5, lines 16 and 29, after "compensation" insert "for a guardian or conservator of an indigent person"

The motion prevailed. So the amendment was adopted.

H.F. No. 1420 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Murphy	Runbeck
Anderson	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Spear
Benson, J.E.	Hottinger	Lesewski	Olson	Stevens
Berglin	Janezich	Luther	Pappas	Stumpf
Bertram	Johnson, D.E.	Marty	Pariseau	Terwilliger
Betzold	Johnson, D.J.	McGowan	Piper	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	
Dille	Krentz	Morse	Robertson	

So the bill, as amended, was passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Reichgott moved that the following members be excused for a Conference Committee on S.F. No. 40 at 1:00 p.m.:

Messrs. Spear, Knutson and Ms. Reichgott. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 674 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 674: A bill for an act relating to civil actions; regulating the posting of a bond required of plaintiffs in certain actions against a public body; amending Minnesota Statutes 1992, section 562.02.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Robertson
Anderson	Dille	Krentz	Morse	Runbeck
Beckman	Finn	Kroening	Neuville	Sams
Belanger	Flynn	Laidig	Novak	Samuelson
Benson, D.D.	Frederickson	Larson	Oliver	Spear
Benson, J.E.	Hanson	Lesewski	Olson	Stevens
Berg	Hottinger	Lessard	Pappas	Stumpf
Berglin	Janezich	Luther	Pariseau	Terwilliger
Bertram	Johnson, D.E.	Marty	Piper	Vickerman
Betzold	Johnson, D.J.	McGowan	Price	Wiener
Chandler	Johnson, J.B.	Merriam	Ranum	
Chmielewski	Johnston	Metzen	Reichgott	
Cohen	Kiscaden	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 741 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 741: A bill for an act relating to civil actions; authorizing appeals from the decisions of civil service commissions by first-class cities and their employees on the same basis and to the same extent; amending Minnesota Statutes 1992, section 484.01.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnston	Metzen	Riveness
Anderson	Day	Kiscaden	Moe, R.D.	Robertson
Beckman	Dille	Krentz	Mondale	Runbeck
Belanger	Finn	Kroening	Morse	Sams
Benson, D.D.	Flynn	Laidig	Neuville	Samuelson
Benson, J.E.	Frederickson	Langseth	Novak	Stevens
Berg	Hanson	Lesewski	Oliver	Terwilliger
Berglin	Hottinger	Lessard	Olson	Vickerman
Bertram	Janezich	Luther	Pappas	Wiener
Betzold	Johnson, D.E.	Marty	Pariseau	
Chandler	Johnson, D.J.	McGowan	Price	
Chmielewski	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1097 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1097: A bill for an act relating to trusts; prohibiting trustees from exercising certain powers; proposing coding for new law in Minnesota Statutes, chapter 501B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Mondale	Robertson
Anderson	Dille	Kroening	Morse	Runbeck
Beckman	Finn	Laidig	Murphy	Sams
Belanger	Flynn	Langseth	Neuville	Samuelson
Benson, D.D.	Frederickson	Larson	Novak	Solon
Benson, J.E.	Hanson	Lesewski	Oliver	Stevens
Berg	Hottinger	Lessard	Olson	Stumpf
Berglin	Janezich	Luther	Pappas	Terwilliger
Bertram	Johnson, D.E.	Marty	Pariseau	Vickerman
Betzold	Johnson, D.J.	McGowan	Piper	Wiener
Chandler	Johnson, J.B.	Merriam	Price	
Chmielewski	Johnston	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1311: A bill for an act relating to local government; providing for the continuation of the Mississippi River parkway commission; amending Minnesota Statutes 1992, section 161.1419, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

“Section 1. Minnesota Statutes 1992, section 161.1419, subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] *Notwithstanding section 15.059, subdivision 5, the commission shall does not expire on the date provided by section 15.059, subdivision 5.*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

H.F. No. 208: A bill for an act relating to human rights; prohibiting discrimination against certain persons who have physical or sensory disabilities and who use service animals; clarifying certain language governing transportation of disabled persons; clarifying the commissioner's acceptance of charges; providing for office of administrative hearings costs to be charged in human rights cases; amending Minnesota Statutes 1992, sections 363.01, subdivisions 30a, 35, 41b, and by adding a subdivision; 363.03, subdivisions 2, 4, and 10; 363.071, by adding a subdivision; and 473.144.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 10 and 11, delete section 8

Page 11, line 26, delete “9” and insert “8”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8

Page 1, line 12, delete “363.071, by adding a subdivision;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 416: A bill for an act relating to elections; providing for a presidential primary by mail; changing the date of the presidential primary; increasing the filing fee for an affidavit of candidacy; changing certain duties and procedures; amending Minnesota Statutes 1992, sections 204B.45, subdivision 3, and by adding a subdivision; 207A.01; 207A.02, subdivision 1a; 207A.03; 207A.04, subdivision 3; 207A.06, subdivision 2; 207A.08; and 207A.09; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1992, section 207A.07.

Reports the same back with the recommendation that the bill do pass.
Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 993: A bill for an act relating to public safety; allowing social security numbers of commercial drivers to be provided to the federal commercial driver license information system; allowing person whose vehicle license plates are impounded to designate a licensed driver for the purpose of obtaining special series license plates; prohibiting person whose license plates are impounded from purchasing a motor vehicle under certain conditions; clarifying driver's license classification provisions; imposing fee for duplicate identification card; requiring application for duplicate identification card when certain information changes; including certain traffic offenses as being serious violations when committed by commercial vehicle drivers; providing for driver's license reinstatement fees; amending Minnesota Statutes 1992, sections 13.69, subdivision 1; 168.042, subdivision 12, and by adding a subdivision; 171.02, subdivision 2; 171.06, subdivision 2; 171.11; 171.165, subdivision 4; and 171.29, subdivision 2.

Reports the same back with the recommendation that the bill do pass.
Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 938: A bill for an act relating to commerce; modifying the definition of business license; regulating residential building contractors and remodelers; providing licensing requirements; prescribing the powers and duties of the commissioner; establishing a contractor's recovery fund; amending Minnesota Statutes 1992, sections 116J.70, subdivision 2a; 326.83, subdivisions 4, 6, 7, 8, 10, and by adding subdivisions; 326.84, subdivisions 1 and 3; 326.85, subdivision 1; 326.86; 326.87, subdivision 2; 326.88; 326.89, subdivisions 2, 3, and by adding subdivisions; 326.90; 326.91, subdivisions 1 and 2; 326.92, subdivisions 1 and 3; 326.93, subdivision 1; 326.94, subdivision 2; 326.97, subdivision 1; and by adding a subdivision; 326.99; and 326.991; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1992, sections 326.84, subdivision 2; and 326.94, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 20, line 7, after "*applicant*" insert "*for a license under sections 326.83 to 326.98*"

Page 20, line 16, delete "*calendar or*" and insert "*licensee's most recent*" and delete "*immediately*"

Page 22, after line 16, insert:

"Subd. 3. [APPROPRIATION.] Money in the contractor's recovery fund is appropriated to the commissioner for the purposes of this section."

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "*appropriating money;*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 955: A bill for an act relating to drivers' licenses; allowing agents of court administrators to retain fee for applications for drivers' licenses and identification cards; providing for appointment of these agents; amending Minnesota Statutes 1992, section 171.06, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete "all or" and strike "one-half of the" and insert "up to a"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 798: A bill for an act relating to public safety; authorizing commissioner of public safety to apply for federal natural disaster assistance funds; amending Minnesota Statutes 1992, section 12.221.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 16 to 18, delete the new language and insert "The commissioner may apply for and accept federal money for natural disaster assistance. Federal money received is appropriated to the commissioner, who shall report its expenditure to the chairs of the house of representatives ways and means committee and the senate finance committee."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 796: A bill for an act relating to transportation; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and rights-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; repealing identification display requirements for highway advertising signs; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 165.03; 174.03, subdivision 1a; 222.50, subdivision 7; 222.63, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, section 173.14; and Minnesota Rules, part 8810.1300, subpart 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 1, after "made" insert "*at regular intervals not to exceed two years*"

Page 6, line 20, delete the comma and insert "*or*"

Page 6, line 21, delete the first comma and insert "*received from rail line rehabilitation contracts, or from*"

Page 6, lines 22 and 23, delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1115: A bill for an act relating to natural resources; modifying provisions relating to aquaculture; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 17.4982, subdivisions 1, 8, and by adding a subdivision; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4985, subdivisions 2 and 3; 17.4986, subdivision 2, and by adding a subdivision; 17.4991, subdivisions 3, 4, and by adding a subdivision; 17.4992, subdivision 3; 17.4995; 18B.26, subdivision 1; 97C.203; 97C.515, subdivision 4; 97C.525, subdivision 3; and 103G.2241; 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 9, delete section 14

Page 15, after line 12, insert:

"Sec. 20. [APPROPRIATION.]

\$300,000 is appropriated from the game and fish fund to the commissioner of natural resources for fisheries purposes. \$150,000 is for fiscal year 1994 and \$150,000 is for fiscal year 1995."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "17.4995;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 410: A bill for an act relating to elections; changing requirements and procedures for maintaining precinct boundary data; appropriating money; amending Minnesota Statutes 1992, sections 204B.14, subdivisions 5 and 6; and 204B.146.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 3, delete "\$....." and insert "\$65,000"

Page 4, lines 4 and 5; delete “, to be available until June 30, 1995” and insert “. \$54,000 is for fiscal year 1994 and \$11,000 is for fiscal year 1995”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 832: A bill for an act relating to occupations and professions; regulating athletic trainers; establishing an advisory council; providing for registration; requiring fees; providing for rulemaking; imposing penalties; appropriating money; amending Minnesota Statutes 1992, section 116J.70, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 148.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, line 30, delete “\$20,000” and insert “\$40,000”

Page 16, line 32, delete everything after “16” and insert “. \$20,000 is for fiscal year 1994 and \$20,000 is for fiscal year 1995.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 338: A bill for an act relating to economic development; creating Minnesota Business Finance, Inc. to provide capital for commercial borrowers through the Small Business Administration; providing for powers and duties of a board of directors and employees; transferring funds from the certified development company established under the department of trade and economic development to the new corporation; appropriating money; amending Minnesota Statutes 1992, section 13.99, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 116S; repealing Minnesota Statutes 1992, sections 41A.065 and 116J.985.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 416, 993, 938, 955, 798, 796, 1115, 410, 832 and 338 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1311 and 208 were read the second time.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Merriam, for Mr. Chmielewski, moved that H.F. No. 964 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 798, now on General Orders. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Vickerman, Day and Sams introduced—

S.F. No. 1622: A bill for an act relating to taxation; sales and use; exempting railroad rolling stock; amending Minnesota Statutes 1992, section 297A.25, by adding a subdivision; repealing Minnesota Statutes 1992, section 297A.212.

Referred to the Committee on Taxes and Tax Laws.

Ms. Runbeck, Messrs. Terwilliger and Metzen introduced—

S.F. No. 1623: A bill for an act relating to public employment; requiring a study of University of Minnesota employee compensation compared with state employees' compensation.

Referred to the Committee on Governmental Operations and Reform.

MEMBERS EXCUSED

Messrs. Kroening and Riveness were excused from the Session of today from 8:30 to 9:00 a.m. Ms. Berglin, Runbeck and Mr. Novak were excused from the Session of today from 8:30 to 9:15 a.m. Messrs. Lessard and Johnson, D.J. were excused from the Session of today from 8:30 to 9:25 a.m. Ms. Pappas was excused from the Session of today from 8:30 to 9:30 a.m. Ms. Krcntz was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Janczich was excused from the Session of today from 8:30 to 10:30 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 11:10 a.m. Ms. Berglin was excused from the Session of today from 11:15 to 11:45 a.m. Mr. Samuelson was excused from the Session of today from 10:15 to 10:45 a.m. Mr. Johnson, D.E. was excused from the Session of today from 11:10 to 11:50 a.m. Mr. Stumpf was excused from the Session of today from 10:30 to 10:45 a.m. Mr. Kelly was excused from the Session of today from 1:00 to 1:15 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Friday, April 30, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SEVENTH DAY

St. Paul, Minnesota, Friday, April 30, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John Estrem.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 397.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1993

Mr. President:

I have the honor to announce that the House has acceded to the request of

the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1613: A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

There has been appointed as such committee on the part of the House:

Rice, Clark, Dempsey, Lieder and Mariani.

Senate File No. 1613 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1993

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1620: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

There has been appointed as such committee on the part of the House:

Krueger; Kahn; Johnson, R.; Knickerbocker and Haukoos.

Senate File No. 1620 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1993

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1709:

H.F. No. 1709: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Rice, Mariani, Steensma, Sarna and Lieder have been appointed as such committee on the part of the House.

House File No. 1709 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1993

Mr. Langseth moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1709, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1408:

H.F. No. 1408: A bill for an act relating to agriculture; redefining terms in the plant pest act; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; amending Minnesota Statutes 1992, section 18.46, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Limmer, Smith and Wenzel have been appointed as such committee on the part of the House.

House File No. 1408 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1993

Mr. McGowan moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1408, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 671, 984 and 1585.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 671: A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt rules allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of city's and town's efforts to comply with the allocation; establishing penalties for noncompliance; amending Minnesota Statutes 1992, section 473.523, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 16A; and 473.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 984: A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6, and by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; Laws 1987, chapter 394, section 13.

Referred to the Committee on Finance.

H.F. No. 1585: A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; regulating crimes in certain shopping areas; making knowing transfer of HIV virus a felony; increasing parental liability; limiting right to refuse blood testing; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144.765; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.01, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivisions 1, 2, and 3; 152.023, subdivisions 2 and 3; 152.024, subdivisions 1 and 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 540.18, subdivision 1; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivisions 1 and 2; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a

subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795, subdivision 2; 611A.57, subdivision 1; and 629.40, subdivision 5.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1199 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1199	1076				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1199 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1199 and insert the language after the enacting clause of S.F. No. 1076, the second engrossment; further, delete the title of H.F. No. 1199 and insert the title of S.F. No. 1076, the second engrossment.

And when so amended H.F. No. 1199 will be identical to S.F. No. 1076, and further recommends that H.F. No. 1199 be given its second reading and substituted for S.F. No. 1076, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1042 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1042	673				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1042 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1042 and insert the language after the enacting clause of S.F. No. 673, the fourth engrossment; further, delete the title of H.F. No. 1042 and insert the title of S.F. No. 673, the fourth engrossment.

And when so amended H.F. No. 1042 will be identical to S.F. No. 673, and further recommends that H.F. No. 1042 be given its second reading and substituted for S.F. No. 673, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1199 and 1042 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Pappas, Messrs. Stumpf; Johnson, D.E.; Langseth and Ms. Berglin introduced—

Senate Resolution No. 42: A Senate resolution commemorating the life and work of Cesar Chavez.

WHEREAS, Cesar Chavez, the son of Mexican immigrant farmers and agricultural migrant workers, was born on a farm near Yuma, Arizona, on March 31, 1927; and

WHEREAS, he spent his childhood living in a series of labor camps following the harvest crop, attending 30 elementary schools, and dropping out in the seventh grade; and

WHEREAS, Cesar Chavez served in the United States Navy during World War II; and

WHEREAS, as a migrant farm worker, he studied under Saul Alinsky and organized Mexican-Americans throughout the San Joaquin Valley in California to confront problems with voter registration, immigration authorities, and government bureaucracy; and

WHEREAS, in 1962, he founded the United Farm Workers Organizing Committee, the first successful collective bargaining effort on behalf of farm workers, employing innovative methods of protest, including sing-ins, bilingual theatrical troupes, and fasting; and

WHEREAS, in 1968, the United Farm Workers Organizing Committee conducted a nationwide boycott of table grapes which rallied support from national leaders such as Senator Robert F. Kennedy, Senator Hubert H. Humphrey, and the mayors of New York City, Boston, Detroit, and St. Louis, and resulted in the acceptance of the union by grape growers in 1970; and

WHEREAS, throughout his career as a labor organizer helping to lift Mexican-American migratory farm workers out of peonage, he dedicated himself to the principles of change through nonviolence as embodied by Gandhi and Dr. Martin Luther King; and

WHEREAS, Cesar Chavez died on April 23, 1993; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it holds in honor the memory of Cesar Chavez and extends condolences to his family and to his colleagues at the United Farm Workers of America.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chair of the Senate Rules and Administration Committee, and transmit it to the family of Cesar Chavez.

Ms. Pappas moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 43: A Senate resolution welcoming members of the Kyrgyzstan Supreme Soviet Leadership Delegation.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 134 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 134: A bill for an act relating to occupations and professions; requiring licensed optometrists to be certified by the board of optometry to prescribe topical legend drugs; authorizing the prescription of topical legend drugs by licensed optometrists who are board certified; requiring reports; modifying the definition of practice of medicine; amending Minnesota Statutes 1992, sections 147.081, subdivision 3; 148.572; 148.574; 151.01, subdivision 23; and 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148.

Mr. Samuelson moved to amend H.F. No. 134, the unofficial engrossment, as follows:

Page 4, delete lines 32 to 36 and insert:

“Subd. 2. [NOTIFICATION OF GLAUCOMA TREATMENT.] Upon prescribing or using topical legend drugs for the treatment of glaucoma, the treating optometrist must, within seven days, give written notice of this treatment to a physician licensed to practice in Minnesota, but only if this notification is agreed to by the patient.”

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 134, the unofficial engrossment, as follows:

Page 2, after line 12, insert:

“Sec. 2. Minnesota Statutes 1992, section 147.111, subdivision 4, is amended to read:

Subd. 4. [LICENSED PROFESSIONALS.] A licensed health professional shall report to the board personal knowledge of any conduct which the professional reasonably believes constitutes grounds for disciplinary action under sections 147.01 to 147.22 by any physician, including any conduct indicating that the physician may be medically incompetent, or may have engaged in unprofessional conduct or may be medically or physically unable to engage safely in the practice of medicine. *A licensed physician or other health professional licensed under chapter 147 shall also report to the board any occurrence of any adverse reaction resulting from an optometrist's prescription, use, or administration of any topical legend drug. Any reports received by the board must be reported to the board of optometry.* No report shall be required if the information was obtained in the course of a physician-patient relationship if the patient is another physician and the treating physician successfully counsels the other physician to limit or withdraw from practice to the extent required by the impairment.

Sec. 3. Minnesota Statutes 1992, section 148.57, subdivision 3, is amended to read:

Subd. 3. [REVOCATION, SUSPENSION.] The board may revoke the license or suspend or restrict the right to practice of any person who has been convicted of any violation of sections 148.52 to 148.62 or of any other criminal offense, or who violates any provision of sections 148.571 to 148.574 148.576 or who is found by the board to be incompetent or guilty of unprofessional conduct. “Unprofessional conduct” means any conduct of a character likely to deceive or defraud the public, including, among other things, free examination advertising, the loaning of a license by any licensed optometrist to any person; the employment of “cappers” or “steerers” to obtain business; splitting or dividing a fee with any person; the obtaining of any fee or compensation by fraud or misrepresentation; employing directly or indirectly any suspended or unlicensed optometrist to perform any work covered by sections 148.52 to 148.62; the advertising by any means of optometric practice or treatment or advice in which untruthful, improbable, misleading, or impossible statements are made. After one year, upon application and proof that the disqualification has ceased, the board may reinstate such person.”

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend the Samuelson amendment to H.F. No. 134, adopted by the Senate April 30, 1993, as follows:

Page 1, delete lines 3 to 9 and insert:

"Page 4, line 32, before "GLAUCOMA" insert "EXCEPTION FOR" and delete "When prescribing or using"

Page 4, delete lines 33 to 36 and insert "Notwithstanding subdivision 1, a licensed optometrist may not prescribe or administer topical legend drugs for the treatment of glaucoma."

The question was taken on the adoption of the Kiscaden amendment to the Samuelson amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, J.B.	Merriam	Pariseau	Runbeck
Benson, D.D.	Kiscaden	Mondale	Ranum	Spear
Berglin	Krentz	Novak	Reichgott	Stevens
Betzold	Lesewski	Oliver	Riveness	Terwilliger
Hottinger	Luther	Olson	Robertson	Wiener

Those who voted in the negative were:

Adkins	Day	Johnston	Morse	Samuelson
Anderson	Dille	Knutson	Murphy	Solon
Beckman	Finn	Kroening	Neuville	Stumpf
Benson, J.E.	Flynn	Laidig	Pappas	Vickerman
Berg	Frederickson	Larson	Piper	
Bertram	Hanson	Marty	Pogemiller	
Chmielewski	Johnson, D.E.	McGowan	Price	
Cohen	Johnson, D.J.	Metzen	Sams	

The motion did not prevail. So the amendment to the amendment was not adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Benson, D.D. moved that the vote whereby the Samuelson amendment to H.F. No. 134 was adopted on April 30, 1993, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Mr. Samuelson withdrew his amendment.

Mr. Samuelson then moved to amend H.F. No. 134, the unofficial engrossment, as follows:

Page 4, delete lines 32 to 36

Renumber the subdivisions in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Laidig	Piper	Vickerman
Beckman	Hanson	Larson	Pogemiller	
Berg	Johnson, D.J.	McGowan	Price	
Bertram	Johnson, J.B.	Metzen	Riveness	
Chmielewski	Johnston	Moe, R.D.	Sams	
Day	Kelly	Morse	Samuelson	
Dille	Knutson	Murphy	Solon	
Finn	Kroening	Neuville	Stumpf	

Those who voted in the negative were:

Anderson	Cohen	Lesewski	Oliver	Runbeck
Belanger	Flynn	Luther	Olson	Spear
Benson, D.D.	Hottinger	Marty	Pappas	Stevens
Benson, J.E.	Johnson, D.E.	Merriam	Ranum	Terwilliger
Berglin	Kiscaden	Mondale	Reichgott	Wiener
Betzold	Krentz	Novak	Robertson	

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend H.F. No. 134, the unofficial engrossment, as follows:

Page 4, after line 31, insert:

“Subd. 2. [EXCEPTION FOR GLAUCOMA TREATMENT.] Notwithstanding subdivision 1, a licensed optometrist may not prescribe or administer topical legend drugs for the treatment of glaucoma.”

CALL OF THE SENATE

Mr. Samuelson imposed a call of the Senate for the balance of the proceedings on H.F. No. 134. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Kiscaden amendment.

Mr. Samuelson moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Luther	Olson	Runbeck
Benson, D.D.	Johnson, D.E.	Marty	Pariseau	Spear
Benson, J.E.	Johnson, J.B.	Merriam	Ranum	Stevens
Berglin	Kiscaden	Mondale	Reichgott	Terwilliger
Betzold	Krentz	Novak	Riveness	Wiener
Frederickson	Lesewski	Oliver	Robertson	

Those who voted in the negative were:

Adkins	Day	Kelly	Moe, R.D.	Price
Anderson	Dille	Knutson	Morse	Sams
Beckman	Finn	Kroening	Murphy	Samuelson
Berg	Flynn	Laidig	Neuville	Solon
Bertram	Hanson	Larson	Pappas	Stumpf
Chmielewski	Johnson, D.J.	McGowan	Piper	Vickerman
Cohen	Johnston	Metzen	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 134 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Benson, J.E.	Betzold	Cohen	Finn
Anderson	Berg	Chandler	Day	Flynn
Beckman	Bertram	Chmielewski	Dille	Frederickson

Hanson	Kroening	Morse	Pogemiller	Stevens
Johnson, D.E.	Laidig	Murphy	Price	Stumpf
Johnson, D.J.	Larson	Neuville	Riveness	Vickerman
Johnson, J.B.	Marty	Oliver	Runbeck	Wiener
Johnston	McGowan	Pappas	Sams	
Kelly	Metzen	Pariseau	Samuelson	
Knutson	Moe, R.D.	Piper	Solon	

Those who voted in the negative were:

Belanger	Kiscaden	Merriam	Ranum	Terwilliger
Benson, D.D.	Krentz	Mondale	Reichgott	
Berglin	Lesewski	Novak	Robertson	
Hottinger	Luther	Olson	Spear	

So the bill, as amended, was passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

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.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1709: Mr. Langseth, Ms. Hanson, Messrs. Vickerman, Dille and Ms. Flynn.

H.F. No. 1408: Messrs. McGowan, Stevens and Bertram.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1046 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1046: A bill for an act relating to crimes; prohibiting persons from interfering with access to medical facilities; prescribing penalties; authorizing civil and equitable remedies; amending Minnesota Statutes 1992, section 488A.101; proposing coding for new law in Minnesota Statutes, chapter 609.

CALL OF THE SENATE

Ms. Pappas imposed a call of the Senate for the balance of the proceedings on S.F. No. 1046. The Sergeant at Arms was instructed to bring in the absent members.

Ms. Pappas moved to amend S.F. No. 1046 as follows:

Page 2, line 9, delete "lawful"

Page 2, line 15, after "lawful" insert "handbilling and"

Mr. Neuville requested division of the amendment as follows.

First portion:

Page 2, line 9, delete "lawful"

Second portion:

Page 2, line 15, after "lawful" insert "handbilling and"

The question was taken on the second portion of the Pappas amendment. The motion prevailed. So the second portion of the amendment was adopted.

The question was taken on the adoption of the first portion of the Pappas amendment.

The roll was called, and there were yeas 34 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Marty	Oliver	Riveness
Berglin	Janezich	Metzen	Pappas	Robertson
Betzold	Johnson, D.E.	Moe, R.D.	Piper	Solon
Chandler	Johnson, J.B.	Mondale	Pogemiller	Spear
Cohen	Kiscaden	Morse	Price	Terwilliger
Finn	Krentz	Murphy	Ranum	Wiener
Flynn	Luther	Novak	Reichgott	

Those who voted in the negative were:

Beckman	Chmielewski	Johnston	McGowan	Sams
Belanger	Day	Knutson	Merriam	Stevens
Benson, D.D.	Dille	Kroening	Neuville	Stumpf
Benson, J.E.	Frederickson	Laidig	Olson	Vickerman
Berg	Hanson	Lesewski	Pariseau	
Bertram	Johnson, D.J.	Lessard	Runbeck	

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend S.F. No. 1046 as follows:

Page 1, delete lines 25 and 26 and insert:

"(a) The terms "building" and "dwelling" have the meanings given in section 609.581."

Page 2, delete lines 1 to 3

Page 2, lines 5 and 10; delete "medical facility" and insert "building or dwelling"

Page 2, line 9, delete "or attempts to obstruct"

Amend the title as follows:

Page 1, line 3, delete "medical facilities" and insert "buildings and dwellings"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Stevens
Belanger	Dille	Laidig	Olson	Stumpf
Benson, D.D.	Frederickson	Larson	Pariseau	Vickerman
Benson, J.E.	Hanson	Lesewski	Runbeck	
Berg	Johnson, D.J.	Lessard	Sams	
Bertram	Johnston	McGowan	Samuelson	
Chmielewski	Knutson	Merriam	Solon	

Those who voted in the negative were:

Anderson	Hottinger	Luther	Novak	Reichgott
Berglin	Janezich	Marty	Oliver	Riveness
Betzold	Johnson, D.E.	Metzen	Pappas	Robertson
Chandler	Johnson, J.B.	Moe, R.D.	Piper	Spear
Cohen	Kelly	Mondale	Pogemiller	Terwilliger
Finn	Kiscaden	Morse	Price	Wiener
Flynn	Krentz	Murphy	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Neuville moved to amend S.F. No. 1046 as follows:

Page 2, line 6, delete “, or the medical facility”

Page 2, line 22, delete “violator damages,” and insert “nonprevailing party”

Page 2, line 23, delete the first comma and insert “and” and delete “and other relief”

Page 2, line 24, delete everything after the period

Page 2, delete lines 25 and 26

Amend the title as follows:

Page 1, line 3, delete “medical facilities” and insert “buildings and dwellings”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knutson	McGowan	Sams
Beckman	Day	Kroening	Merriam	Samuelson
Belanger	Dille	Laidig	Neuville	Stevens
Benson, J.E.	Frederickson	Larson	Olson	Stumpf
Berg	Hanson	Lesewski	Pariseau	Vickerman
Bertram	Johnston	Lessard	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Luther	Novak	Reichgott
Berglin	Janezich	Marty	Oliver	Riveness
Betzold	Johnson, D.J.	Metzen	Pappas	Robertson
Chandler	Johnson, J.B.	Moe, R.D.	Piper	Solon
Cohen	Kelly	Mondale	Pogemiller	Spear
Finn	Kiscaden	Morse	Price	Terwilliger
Flynn	Krentz	Murphy	Ranum	Wiener

The motion did not prevail. So the amendment was not adopted.

Mr. Bertram moved to amend S.F. No. 1046 as follows:

Page 1, line 26, after “144.56” insert “or section 145.416,”

Ms. Kiscaden questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Bertram amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Johnson, D.E.	Lesewski	Sams
Beckman	Chmielewski	Johnson, D.J.	Lessard	Samuelson
Belanger	Day	Johnston	Neuville	Stevens
Benson, D.D.	Dille	Kroening	Olson	Stumpf
Benson, J.E.	Frederickson	Laidig	Pariseau	Vickerman
Berg	Hanson	Larson	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Marty	Novak	Reichgott
Berglin	Janezich	Merriam	Oliver	Riveness
Betzold	Johnson, J.B.	Metzen	Pappas	Robertson
Chandler	Kelly	Moe, R.D.	Piper	Solon
Cohen	Kiscaden	Mondale	Pogemiller	Spear
Finn	Krentz	Morse	Price	Terwilliger
Flynn	Luther	Murphy	Ranum	Wiener

The motion did not prevail. So the amendment was not adopted.

Mr. Chmielewski moved to amend S.F. No. 1046 as follows:

Page 1, after line 8, insert:

“Section 1. [145.4245] [INFORMED CONSENT PROVISIONS.]

Subdivision 1. [INFORMED CONSENT; GENERAL RULE.] Unless there is a medical emergency that so complicates a pregnancy as to necessitate an immediate abortion to avert the death of the mother or for which a 24-hour delay will create grave peril of immediate and irreversible loss of major bodily function, at least 24 hours before the abortion, either the physician who is to perform the abortion or a referring physician must tell the woman the probable gestational age of the unborn child at the time the abortion is to be performed and that she has the right to review the printed materials described in subdivision 2. The physician or the physician's agent may choose to disassociate himself or herself from the materials, and may choose to comment or refrain from comment on the materials.

Subd. 2. [PRINTED INFORMATION.] Within 60 days after the effective date of this act the commissioner of health shall develop, for reproduction by medical facilities, the following easily comprehensible printed materials in every language that is the primary language of one percent or more of the residents of Minnesota:

(1) geographically indexed materials designed to inform the woman of public and private agencies and services available to assist a woman through pregnancy, upon childbirth, and while the child is dependent, as well as adoption agencies. The materials must include a comprehensive list of the agencies available, a description of the services they offer, telephone numbers of the agencies, and a description of the manner in which they might be contacted; and

(2) materials designed to inform the woman of the probable anatomical and physiological characteristics of the unborn child at two-week gestational

increments from the time when a woman can be known to be pregnant to full term, including any relevant information on the possibility of the unborn child's survival. The materials shall be objective, nonjudgmental, and designed to convey only accurate scientific information about the unborn child at the various gestational ages.

Subd. 3. [CIVIL DAMAGES FOR ABORTIONS PERFORMED WITHOUT INFORMED CONSENT.] Any person with standing may maintain an action against the person who performed an abortion in violation of subdivision 1 for \$10,000 in punitive damages and treble whatever actual damages the plaintiff may have sustained. Those with standing are a woman upon whom, or the parent of a minor upon whom, an abortion that is unlawful under subdivision 1 has been performed or attempted to be performed and the father of the unborn child subject to an abortion that is unlawful under subdivision 1."

Page 2, line 32, delete "Sections 1 and 2 are" and insert "This act is"

Page 2, line 33, delete "apply" and insert "applies" and after "committed" insert "and abortions performed" and after the period, insert "The provisions of this act are severable as provided by Minnesota Statutes, section 645.20."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "crimes" and insert "abortions"

Page 1, line 3, after the semicolon, insert "requiring informed consent for abortions;"

Page 1, line 7, delete "chapter" and insert "chapters 145; and"

Mr. Moe, R.D. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 1046 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Marty	Oliver	Runbeck
Benson, D.D.	Johnson, D.J.	McGowan	Pappas	Solon
Berglin	Johnson, J.B.	Merriam	Piper	Spear
Betzold	Kelly	Metzen	Pogemiller	Terwilliger
Chandler	Kiscaden	Moe, R.D.	Price	Wiener
Cohen	Knutson	Mondale	Ranum	
Finn	Krentz	Morse	Reichgott	
Flynn	Laidig	Murphy	Riveness	
Hottinger	Luther	Novak	Robertson	

Those who voted in the negative were:

Adkins	Bertram	Hanson	Lessard	Samuelson
Beckman	Chmielewski	Johnston	Neuville	Stevens
Belanger	Day	Kroening	Olson	Stumpf
Benson, J.E.	Dille	Larson	Pariseau	Vickerman
Berg	Frederickson	Lesewski	Sams	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1619 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1619: A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; nonband harvest under band permit; authority to transfer land; compensation to counties; resort acquisition; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

Mr. Chandler moved to amend S.F. No. 1619 as follows:

Page 3, after line 3, insert:

“(3) in Mille Lacs lake, band members may use nets to harvest fish but may use gill nets only to the extent allowed for nonband members under state law;”

Page 3, line 4, delete “(3)” and insert “(4)”

Page 3, line 7, delete “(4)” and insert “(5)”

Page 3, line 17, delete “(5)” and insert “(6)”

Page 3, line 21, delete “(6)” and insert “(7)”

Page 3, line 25, delete “(7)” and insert “(8)”

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on S.F. No. 1619. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kroening	Metzen	Samuelson
Beckman	Day	Laidig	Neuville	Solon
Belanger	Frederickson	Larson	Novak	Stevens
Benson, J.E.	Hanson	Lesewski	Olson	Stumpf
Berg	Johnson, D.E.	Lessard	Pariseau	Vickerman
Bertram	Johnston	McGowan	Runbeck	
Chandler	Knutson	Merriam	Sams	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Oliver	Riveness
Benson, D.D.	Hottinger	Luther	Pappas	Robertson
Berglin	Janezich	Marty	Piper	Spear
Betzold	Johnson, D.J.	Moe, R.D.	Pogemiller	Terwilliger
Cohen	Johnson, J.B.	Mondale	Price	Wiener
Dille	Kelly	Morse	Ranum	
Finn	Kiscaden	Murphy	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Stumpf moved to amend S.F. No. 1619 as follows:

Page 3, delete line 24 and insert:

“(7) any revision of the amended settlement agreement must be ratified by:
(i) a resolution adopted by the band assembly and signed by the chief executive of the band; and
(ii) legislation enacted into law; and”

Page 3, line 25, delete “(7)” and insert “(8)”

The motion prevailed. So the amendment was adopted.

Mrs. Benson, J.E. moved to amend S.F. No. 1619 as follows:

Page 3, line 23, after the semicolon, insert:

“(7) the Mille Lacs Band of Chippewa Indians shall submit to the jurisdiction of the state for the purposes of enforcement of the Minnesota human rights act;”

Page 3, line 25, delete “(7)” and insert “(8)”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 38, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Laidig	Neuville	Stevens
Benson, D.D.	Hanson	Larson	Oliver	Terwilliger
Benson, J.E.	Johnson, D.E.	Lesewski	Olson	Vickerman
Berg	Johnston	Lessard	Pariseau	
Bertram	Kiscaden	McGowan	Runbeck	
Day	Kroening	Merriam	Samuelson	

Those who voted in the negative were:

Anderson	Finn	Krentz	Novak	Robertson
Beckman	Flynn	Luther	Pappas	Sams
Belanger	Hottinger	Marty	Piper	Solon
Berglin	Janezich	Metzen	Pogemiller	Spear
Betzold	Johnson, D.J.	Moe, R.D.	Price	Stumpf
Chandler	Johnson, J.B.	Mondale	Ranum	Wiener
Cohen	Kelly	Morse	Reichgott	
Dille	Knutson	Murphy	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson moved to amend S.F. No. 1619 as follows:

Page 3, after line 26, insert:

“(c) Lands transferred to the band under the amended settlement agreement are subject to state environmental and natural resource protection laws after the transfer including water, solid waste, hazardous waste, and radioactive waste laws; groundwater and wetland protection laws; and laws relating to the requirement of environmental assessment worksheets and impact statements.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knutson	Merriam	Sams
Beckman	Day	Kroening	Metzen	Samuelson
Belanger	Frederickson	Laidig	Neuville	Solon
Benson, D.D.	Hanson	Larson	Oliver	Stevens
Benson, J.E.	Johnson, D.E.	Lesewski	Olson	Terwilliger
Berg	Johnston	Lessard	Pariseau	Vickerman
Bertram	Kiscaden	McGowan	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Luther	Pappas	Robertson
Berglin	Hottinger	Marty	Piper	Spear
Betzold	Janezich	Moe, R.D.	Pogemiller	Stumpf
Chandler	Johnson, D.J.	Mondale	Price	Wiener
Cohen	Johnson, J.B.	Morse	Ranum	
Dille	Kelly	Murphy	Reichgott	
Finn	Krentz	Novak	Riveness	

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Benson, D.D. moved that the vote whereby the Chandler amendment to S.F. No. 1619 was not adopted on April 30, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Chandler	Kiscaden	McGowan	Pariseau
Beckman	Chmielewski	Knutson	Merriam	Runbeck
Belanger	Day	Kroening	Metzen	Sams
Benson, D.D.	Frederickson	Laidig	Neuville	Samuelson
Benson, J.E.	Hanson	Larson	Novak	Stevens
Berg	Johnson, D.E.	Lesewski	Oliver	Terwilliger
Bertram	Johnston	Lessard	Olson	Vickerman

Those who voted in the negative were:

Anderson	Hottinger	Marty	Pogemiller	Spear
Berglin	Janezich	Moe, R.D.	Price	Stumpf
Betzold	Johnson, D.J.	Mondale	Ranum	Wiener
Cohen	Johnson, J.B.	Morse	Reichgott	
Dille	Kelly	Murphy	Riveness	
Finn	Krentz	Pappas	Robertson	
Flynn	Luther	Piper	Solon	

The motion prevailed. So the vote was reconsidered.

The question recurred on the adoption of the Chandler amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kroening	Metzen	Sams
Belanger	Day	Laidig	Neuville	Samuelson
Benson, D.D.	Frederickson	Larson	Novak	Stevens
Benson, J.E.	Hanson	Lesewski	Oliver	Stumpf
Berg	Johnson, D.E.	Lessard	Olson	Vickerman
Bertram	Johnston	McGowan	Pariseau	
Chandler	Kiscaden	Merriam	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Pappas	Robertson
Beckman	Hottinger	Luther	Piper	Solon
Berglin	Janezich	Marty	Pogemiller	Spear
Betzold	Johnson, D.J.	Moe, R.D.	Price	Terwilliger
Cohen	Johnson, J.B.	Mondale	Ranum	Wiener
Dille	Kelly	Morse	Reichgott	
Finn	Knutson	Murphy	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Lessard moved to amend S.F. No. 1619 as follows:

Page 4, line 23, delete "including" and insert "except"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Johnston	Mondale	Stumpf
Beckman	Chmielewski	Kroening	Murphy	Vickerman
Belanger	Day	Larson	Neuville	
Benson, D.D.	Frederickson	Lesewski	Sams	
Benson, J.E.	Hanson	Lessard	Samuelson	
Berg	Janezich	McGowan	Stevens	

Those who voted in the negative were:

Anderson	Hottinger	Laidig	Olson	Riveness
Berglin	Johnson, D.E.	Luther	Pappas	Robertson
Betzold	Johnson, D.J.	Marty	Pariseau	Runbeck
Chandler	Johnson, J.B.	Merriam	Piper	Solon
Cohen	Kelly	Metzen	Pogemiller	Spear
Dille	Kiscaden	Moe, R.D.	Price	Terwilliger
Finn	Knutson	Morse	Ranum	Wiener
Flynn	Krentz	Novak	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend S.F. No. 1619 as follows:

Page 3, line 4, delete "7,500" and insert "2,500"

Page 3, line 6, delete "15,000" and insert "10,000"

Page 4, line 23, delete "15,000" and insert "10,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 42, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kroening	Olson	Vickerman
Belanger	Day	Laidig	Pariseau	
Benson, J.E.	Frederickson	Larson	Sams	
Berg	Johnston	Lesewski	Samuelson	
Bertram	Kelly	Lessard	Stevens	

Those who voted in the negative were:

Anderson	Chandler	Hottinger	Knutson	Merriam
Beckman	Cohen	Janezich	Krentz	Metzen
Benson, D.D.	Dille	Johnson, D.E.	Luther	Moe, R.D.
Berglin	Finn	Johnson, D.J.	Marty	Mondale
Betzold	Flynn	Johnson, J.B.	McGowan	Morse

Murphy	Pappas	Ranum	Runbeck	Wiener
Neuville	Piper	Reichgott	Solon	
Novak	Pogemiller	Riveness	Spear	
Oliver	Price	Robertson	Terwilliger	

The motion did not prevail. So the amendment was not adopted.

Mr. Stevens moved to amend S.F. No. 1619 as follows:

Page 7, after line 9, insert:

“(c) \$500,000 is appropriated from the general fund to the commissioner of finance to pay legal fees of intervening landowners or counties or intervening parties in the civil action entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605, defending affirming, or protecting the hunting, fishing, or gathering rights of nonband members under state law.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Day	Laidig	Neuville	Samuelson
Benson, D.D.	Frederickson	Larson	Olson	Stevens
Benson, J.E.	Johnson, D.E.	Lesewski	Pariseau	Vickerman
Berg	Johnson, J.B.	Lessard	Runbeck	
Bertram	Johnston	McGowan	Sams	

Those who voted in the negative were:

Anderson	Flynn	Luther	Novak	Robertson
Beckman	Hottinger	Marty	Oliver	Spear
Berglin	Janezich	Merriam	Pappas	Terwilliger
Betzold	Johnson, D.J.	Metzen	Piper	Wiener
Chandler	Kelly	Moe, R.D.	Pogemiller	
Cohen	Kiscaden	Mondale	Price	
Dille	Knutson	Morse	Ranum	
Finn	Krentz	Murphy	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Merriam moved to amend S.F. No. 1619 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE INTENT.]

It is the intent of the legislature that the state honor all Indian rights existing under treaties with the federal government.

Sec. 2. [STATE TO SEEK DETERMINATION OF TREATY RIGHTS.]

The commissioner of natural resources and the attorney general shall seek a determination, from Congress or an appropriate federal court, of the hunting, fishing, and wild rice gathering rights of the signatory bands of Chippewa Indians within the area ceded to the United States in the 1837 Treaty with the Chippewa, Statutes at Large, volume 7, page 536.”

Delete the title and insert:

“A bill for an act relating to natural resources; requiring the commissioner of natural resources and the attorney general to seek a determination of rights of the Mille Lacs Band of Chippewa Indians under the 1837 Treaty.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Laidig	Neuville	Stevens
Belanger	Day	Larson	Olson	Vickerman
Benson, D.D.	Frederickson	Lesewski	Pariseau	
Benson, J.E.	Hanson	Lessard	Runbeck	
Berg	Johnston	McGowan	Sams	
Bertram	Kroening	Merriam	Samuelson	

Those who voted in the negative were:

Anderson	Flynn	Knutson	Murphy	Reichgott
Beckman	Hottinger	Krentz	Novak	Robertson
Berglin	Janezich	Luther	Oliver	Solon
Betzold	Johnson, D.E.	Marty	Pappas	Spear
Chandler	Johnson, D.J.	Metzen	Piper	Stumpf
Cohen	Johnson, J.B.	Moe, R.D.	Pogemiller	Terwilliger
Dille	Kelly	Mondale	Price	Wiener
Finn	Kiscaden	Morse	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend S.F. No. 1619 as follows:

Page 2, line 33, delete "*and netting*"

Page 2, line 36, delete "*and*"

Page 3, line 1, delete "*netting*"

Page 3, after line 3, insert:

"(3) band members may harvest fish by netting in Mille Lacs lake only to the extent allowed for nonband members;"

Page 3, line 4, delete "(3)" and insert "(5)"

Page 3, line 7, delete "(4)" and insert "(6)"

Page 3, line 17, delete "(5)" and insert "(7)"

Page 3, line 21, delete "(6)" and insert "(8)"

Page 3, line 25, delete "(7)" and insert "(9)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Day	Laidig	Metzen	Reichgott
Belanger	Frederickson	Larson	Neuville	Runbeck
Benson, D.D.	Hanson	Lesewski	Novak	Sams
Berg	Johnston	Lessard	Oliver	Samuelson
Bertram	Kiscaden	McGowan	Olson	Stevens
Chmielewski	Kroening	Merriam	Pariseau	Vickerman

Those who voted in the negative were:

Anderson	Finn	Kelly	Morse	Riveness
Beckman	Flynn	Knutson	Murphy	Solon
Berglin	Hottinger	Krentz	Pappas	Spear
Betzold	Janezich	Luther	Piper	Stumpf
Chandler	Johnson, D.E.	Marty	Pogemiller	Terwilliger
Cohen	Johnson, D.J.	Moe, R.D.	Price	Wiener
Dille	Johnson, J.B.	Mondale	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Laidig moved to amend S.F. No. 1619 as follows:

Page 3, after line 20, insert:

“(6) the band harvest of walleyes during the ice-free period may not begin until walleyes have finished spawning or the opening of the state walleye season, whichever is earlier.”

Page 3, line 21, delete “(6)” and insert “(7)”

Page 3, line 25, delete “(7)” and insert “(8)”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kelly	McGowan	Riveness
Beckman	Day	Kiscaden	Merriam	Robertson
Belanger	Dille	Knutson	Metzen	Runbeck
Benson, D.D.	Frederickson	Kroening	Mondale	Sams
Benson, J.E.	Hanson	Laidig	Neuville	Samuelson
Berg	Janezich	Larson	Oliver	Stevens
Bertram	Johnson, D.E.	Lesewski	Olson	Terwilliger
Chandler	Johnston	Lessard	Pariseau	Vickerman

Those who voted in the negative were:

Anderson	Hottinger	Moe, R.D.	Pogemiller	Stumpf
Berglin	Johnson, D.J.	Morse	Price	Wiener
Betzold	Johnson, J.B.	Murphy	Ranum	
Cohen	Krentz	Novak	Reichgott	
Finn	Luther	Pappas	Solon	
Flynn	Marty	Piper	Spear	

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 1619 as follows:

Page 3, after line 16, insert:

“(5) the band harvest of natural resources under the amended settlement agreement shall not prevent nonband member harvest of one-half of the harvestable surplus, including one-half of the harvestable surplus in the treaty fishing zone.”

Page 3, line 17, delete “(5)” and insert “(6)”

Page 3, line 21, delete “(6)” and insert “(7)”

Page 3, line 25, delete “(7)” and insert “(8)”

The motion did not prevail. So the amendment was not adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Sams moved that the vote whereby the Frederickson amendment to S.F. No. 1619 was adopted on April 30, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Robertson
Beckman	Hottinger	Lesewski	Novak	Sams
Berglin	Janezich	Luther	Oliver	Solon
Betzold	Johnson, D.J.	Marty	Pogemiller	Spear
Chandler	Johnson, J.B.	Merriam	Price	Stumpf
Cohen	Kelly	Moe, R.D.	Ranum	Terwilliger
Dille	Kiscaden	Mondale	Reichgott	Wiener
Finn	Knutson	Morse	Riveness	

Those who voted in the negative were:

Adkins	Bertram	Johnson, D.E.	McGowan	Runbeck
Belanger	Chmielewski	Johnston	Metzen	Samuelson
Benson, D.D.	Day	Kroening	Neuville	Stevens
Benson, J.E.	Frederickson	Laidig	Olson	Vickerman
Berg	Hanson	Lessard	Pariseau	

The motion prevailed. So the vote was reconsidered.

The question recurred on the adoption of the Frederickson amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kroening	Merriam	Runbeck
Belanger	Day	Laidig	Metzen	Samuelson
Benson, D.D.	Frederickson	Larson	Neuville	Stevens
Benson, J.E.	Hanson	Lesewski	Oliver	Vickerman
Berg	Johnson, D.E.	Lessard	Olson	
Bertram	Johnston	McGowan	Pariseau	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Pappas	Solon
Beckman	Hottinger	Luther	Pogemiller	Spear
Berglin	Janezich	Marty	Price	Stumpf
Betzold	Johnson, D.J.	Moe, R.D.	Ranum	Terwilliger
Chandler	Johnson, J.B.	Mondale	Reichgott	Wiener
Cohen	Kelly	Morse	Riveness	
Dille	Kiscaden	Murphy	Robertson	
Finn	Knutson	Novak	Sams	

The motion did not prevail. So the amendment was not adopted.

Mr. Finn moved to amend S.F. No. 1619 as follows:

Page 5, line 15, before "lands" insert "*lands that border on public waters;*"

Page 5, line 17, delete "and" and before the period, insert "*; and game preserves, areas, and projects established under sections 84A.01, 84A.20, and 84A.31*"

Page 5, line 22, after the period, insert "*A conveyance of land that borders on public waters or land within a game preserve, area, or project established under section 84A.01, 84A.20, or 84A.31 must be approved by the land exchange board.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Novak	Robertson
Benson, D.D.	Hottinger	Luther	Oliver	Runbeck
Berglin	Johnson, D.E.	Marty	Pappas	Spear
Betzold	Johnson, D.J.	McGowan	Pogemiller	Wiener
Chandler	Johnson, J.B.	Merriam	Price	
Cohen	Kelly	Moe, R.D.	Ranum	
Dille	Kiscaden	Morse	Reichgott	
Finn	Knutson	Murphy	Riveness	

Those who voted in the negative were:

Adkins	Chmielewski	Laidig	Neuville	Terwilliger
Beckman	Day	Larson	Olson	Vickerman
Belanger	Frederickson	Lesewski	Pariseau	
Benson, J.E.	Hanson	Lessard	Samuelson	
Berg	Johnston	Metzen	Stevens	
Bertram	Kroening	Mondale	Stumpf	

The motion prevailed. So the amendment was adopted.

Mr. Stevens moved to amend S.F. No. 1619 as follows:

Page 3, after line 26, insert:

“(c) Land transferred to the band may not include land with a public access to waters.”

The motion did not prevail. So the amendment was not adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Dille moved that the vote whereby the Laidig amendment to S.F. No. 1619 was adopted on April 30, 1993, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Luther	Novak	Solon
Betzold	Janezich	Marty	Pappas	Spear
Cohen	Johnson, D.J.	Moe, R.D.	Pogemiller	Terwilliger
Dille	Johnson, J.B.	Mondale	Price	Wiener
Finn	Knutson	Morse	Ranum	
Flynn	Krentz	Murphy	Reichgott	

Those who voted in the negative were:

Adkins	Chandler	Kiscaden	Metzen	Sams
Beckman	Chmielewski	Kroening	Neuville	Samuelson
Belanger	Day	Laidig	Oliver	Stevens
Benson, D.D.	Frederickson	Larson	Olson	Stumpf
Benson, J.E.	Hanson	Lesewski	Pariseau	Vickerman
Berg	Johnson, D.E.	Lessard	Riveness	
Berglin	Johnston	McGowan	Robertson	
Bertram	Kelly	Merriam	Runbeck	

The motion did not prevail.

Mr. Finn moved to amend the Laidig amendment to S.F. No. 1619, adopted by the Senate April 30, 1993, as follows:

Page 1, line 3, after “harvest” insert “by net”

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Luther	Pappas	Solon
Berglin	Janezich	Marty	Pogemiller	Spear
Betzold	Johnson, D.J.	Moe, R.D.	Price	Terwilliger
Cohen	Johnson, J.B.	Mondale	Ranum	Wiener
Dille	Kiscaden	Morse	Reichgott	
Finn	Knutson	Murphy	Robertson	
Flynn	Krentz	Novak	Sams	

Those who voted in the negative were:

Adkins	Chandler	Kelly	Merriam	Runbeck
Beckman	Chmielewski	Kroening	Metzen	Samuelson
Belanger	Day	Laidig	Neuville	Stevens
Benson, D.D.	Frederickson	Larson	Oliver	Stumpf
Benson, J.E.	Hanson	Lesewski	Olson	Vickerman
Berg	Johnson, D.E.	Lessard	Pariseau	
Bertram	Johnston	McGowan	Riveness	

The motion did not prevail. So the amendment to the amendment was not adopted.

S.F. No. 1619 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kiscaden	Morse	Reichgott
Beckman	Flynn	Knutson	Murphy	Riveness
Benson, D.D.	Hottinger	Krentz	Novak	Robertson
Berglin	Janezich	Laidig	Oliver	Solon
Betzold	Johnson, D.E.	Luther	Pappas	Spear
Chandler	Johnson, D.J.	Marty	Pogemiller	Stumpf
Cohen	Johnson, J.B.	Moe, R.D.	Price	Terwilliger
Dille	Kelly	Mondale	Ranum	Wiener

Those who voted in the negative were:

Adkins	Chmielewski	Kroening	Merriam	Runbeck
Belanger	Day	Larson	Metzen	Sams
Benson, J.E.	Frederickson	Lesewski	Neuville	Samuelson
Berg	Hanson	Lessard	Olson	Stevens
Bertram	Johnston	McGowan	Pariseau	Vickerman

So the bill, as amended, was passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

April 19, 1993

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointments were made by the Metropolitan Council on March 25, 1993, and are hereby respectfully submitted to the Senate for confirmation as required by law:

REGIONAL TRANSIT BOARD

Ruby Hunt, 1148 Edgcumbe, St. Paul, Ramsey County, MN 55105 – appointed for a term ending the first Monday of January, 1997.

Thomas Sather, 3740 Brighton Way South, Arden Hills, Ramsey County, MN 55112 – appointed for a term ending the first Monday of January, 1997.

Dennis Schulstad, 4009 East 49th Street, Minneapolis, Hennepin County, MN 55417 – appointed for a term ending the first Monday of January, 1997.

James Hovland, 5201 Blake Road, Edina, Hennepin County, MN 55436 – appointed for a term ending the first Monday of January, 1997.

Michael Beard, 8434 Horizon Dr., Shakopee, Scott County, MN 55379 – appointed for a term ending the first Monday of January, 1995.

Katherine Trummer, 223 Stanley Avenue, South St. Paul, Dakota County, MN 55075 – appointed for a term ending the first Monday of January, 1995.

(Referred to the Committee on Metropolitan and Local Government.)

Sincerely,
Dottie Rietow, Chair

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as it relates to S.F. No. 919. The motion prevailed.

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1476: A bill for an act relating to game and fish; authorizing expenditure of RIM funds for restoration of fish and wildlife habitat; amending Minnesota Statutes 1992, section 84.95, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 26, 1993, be adopted; that committee recommendation being:

“the bill do pass”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1467: A bill for an act relating to waters; establishing a safe harbors program for Lake Superior; stating powers and duties of the commissioner of natural resources and local authorities in respect thereto; proposing coding for new law in Minnesota Statutes, chapter 86A.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 27, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1501: A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; 17.59, subdivision 2; and 17.63.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 27, 1993, be adopted; that committee recommendation being:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 223: A bill for an act relating to human services; providing a salary increase for development achievement center employees; amending Minnesota Statutes 1992, section 252.24, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Health Care, shown in the Journal for April 28, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 791: A bill for an act relating to human services; making changes to medical assistance payments for home care services; requiring a preadmission screening for Medicaid certified nursing homes or boarding homes; allowing residential care services under alternate care funding; defining assisted living services; implementing a one-time adjustment for alternative care services; amending Minnesota Statutes 1992, sections 256B.0625, subdivision 19a; 256B.0627, subdivisions 4 and 5; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 3, 4, 6, and 7; 256B.0913, subdivisions 4, 5, 9, 12, and 14; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 11, and 12; 256B.093, subdivisions 1 and 3; and 256B.49, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Health Care, shown in the Journal for April 28, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 880: A bill for an act relating to the environment; changing methods for assessing and collecting hazardous waste administration fees; providing for rulemaking; amending Minnesota Statutes 1992, section 116.12.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for April 26, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

H.F. No. 584: A bill for an act relating to utilities; regulating telephone services to communication-impaired persons; amending Minnesota Statutes 1992, sections 237.49; 237.50, subdivision 3; 237.51, subdivision 2; and 237.52, subdivision 2; repealing Laws 1987, chapter 308, section 8.

Reports the same back with the recommendation that the report from the Committee on Jobs, Energy and Community Development, shown in the Journal for April 27, 1993, be adopted; that committee recommendation being:

“the bill do pass”. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 900: A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not

provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for voluntary public commitments by health plans and providers to limit the rate of growth in total revenues; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 62A.021, subdivision 1; 62A.65; 62C.16, by adding a subdivision; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding subdivisions; 62J.05, by adding a subdivision; 62J.09, subdivisions 2, 5, 8, and by adding a subdivision; 62J.15, subdivisions 1 and 2; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 62J.33; 62J.34, subdivisions 2 and 3; 62L.02, subdivisions 16, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 4 and 6; 62L.08, subdivision 8; 62L.09, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2, 4, and 5; 136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 169.685, subdivision 5; 169.686, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, 2a, and by adding a subdivision; 256B.0625, subdivision 13; 256B.0644; 256D.03, subdivision 3; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 2, and 3; 295.54; 295.55, subdivision 4; 295.57; 295.58; and 295.59; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 136A; 137; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivisions 5 and 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 14, after "service" insert "network"

Page 10, line 2, delete "shall review all" and insert "may review any"

Page 14, line 4, delete "of"

Page 14, line 5, delete "\$....." and delete "of \$....." and after "to" insert "be established by"

Page 15, after line 36, insert:

"Sec. 20. [62N.22] [RELATIONSHIPS WITH PROVIDERS.]"

Page 17, line 23, delete "23" and insert "24"

Renumber the sections of article 1 in sequence

Page 19, line 13, delete everything after the comma and insert "expenditure limits for health carriers shall be established in accordance with section 3 and health care provider revenue limits shall be established in accordance with section 4."

Page 19, delete line 14

Page 25, line 2, delete “..” and insert “6.5”

Page 25, line 5, delete “..” and insert “5.3”

Page 25, line 8, delete “..” and insert “4.3”

Page 25, line 11, delete “..” and insert “3.7”

Page 25, line 14, delete “..” and insert “2.6”

Page 30, line 35, after “adopt” insert “permanent rules and may adopt”

Page 30, line 36, delete “and permanent”

Pages 50 and 51, delete sections 8 and 9

Page 53, after line 36, insert:

“Sec. 12. [REQUESTS FOR FEDERAL ACTION.]

The commissioner of health shall seek changes in or waivers from federal statutes or regulations as necessary to implement the provisions of this act. The commissioner of human services shall request and diligently pursue waivers from the federal laws relating to health coverages provided under the medical assistance and Medicare programs, so as to permit the state to provide medical assistance benefits through integrated service networks and permit Medicare to be provided in Minnesota through integrated service networks.

Sec. 13. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words “centers of excellence” to “referral centers” wherever they appear in chapters 62D and 62J in the next and subsequent editions of Minnesota Statutes and Minnesota Rules, parts 4685.0100 to 4685.3400.”

Page 54, line 2, delete “and 3” and insert “to 13”

Renumber the sections of article 6 in sequence

Page 69, line 24, delete “of \$.…….”

Page 69, line 27, after the period, insert “The filing fee is \$1,000 for any application submitted by parties whose combined gross revenues exceeded \$20 million in the most recent calendar or fiscal year for which such figures are available. The filing fee for all other applications is \$250.”

Page 87, line 6, delete “rate established by the commissioner” and insert “rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect”

Page 87, line 9, after the period, insert “For premium rates proposed to go into effect between July 1, 1993, and December 31, 1993, the pertinent growth rate is the growth rate applied under section 62J.04, subdivision 1, paragraph (b), to calendar year 1994.”

Page 97, line 11, after the second comma, insert “adult dental care services other than preventive services,”

Page 97, line 17, before the comma, insert “, unless the continuation of outpatient services would prevent inpatient services”

Page 99, line 2, after "*hospice*" insert "*care*"

Page 99, strike lines 19 and 20

Page 99, line 21, strike "(3)" and insert "(2)"

Page 99, line 22, strike "(4)" and insert "(3)"

Page 99, line 31, reinstate the stricken language and delete "*18 months*"

Page 99, line 33, strike "185" and insert "150"

Page 100, line 1, reinstate the stricken language and delete "*child*"

Page 100, line 2, delete the new language

Page 100, line 5, before the period, insert "*, except children who meet the criteria in this subdivision shall continue to be enrolled pursuant to this subdivision*"

Page 100, line 24, before the period, insert "*, except children who meet the criteria of subdivision 1 shall continue to be enrolled pursuant to that subdivision*"

Page 100, line 27, delete "*MinnesotaCare*" and strike "*but*" and insert "*MinnesotaCare. Persons who are eligible under subdivision 2, 3, 4, or 5*"

Page 100, line 29, before the period, insert "*, and children eligible under subdivision 1 must pay a premium as determined under section 256.9356, subdivision 1*"

Page 101, delete section 5

Page 101, line 23, delete everything after "*identify*" and insert "*and refer such individuals to their county social service agency*"

Page 101, line 24, delete everything before the period

Page 101, line 25, delete "*state*" and insert "*county social service agency*"

Page 101, line 26, after the period, insert "*Enrollees who do not apply for and cooperate with medical assistance within the 60-day enrollment period, and their other family members, shall be disenrolled from the plan within one calendar month. Persons disenrolled for nonapplication for medical assistance may not reenroll until they have obtained a medical assistance eligibility determination for the family member or members who were referred to the county agency. Persons disenrolled for noncooperation with medical assistance may not reenroll until they have cooperated with the county agency and have obtained a medical assistance eligibility determination.*"

Pages 101 and 102, delete sections 7 and 8 and insert:

"Sec. 6. Minnesota Statutes 1992, section 256.9356, is amended to read:

256.9356 [ENROLLMENT AND PREMIUM FEE FEES AND PAYMENTS.]

Subdivision 1. [ENROLLMENT FEE PREMIUM FEES.] Until October 1, 1992, An annual enrollment premium fee of \$25, not to exceed \$150 per family, \$48 is required from eligible persons for covered health services all MinnesotaCare enrollees eligible under section 256.9354, subdivision 1.

Subd. 2. [PREMIUM PAYMENTS.] Beginning October 1, 1992, The commissioner shall require health right plan MinnesotaCare enrollees eligible under section 256.9354, subdivisions 2 to 5, to pay a premium based on a sliding scale, as established under section 256.9357 256.9358. Applicants who are eligible under section 256.9354, subdivision 1, are exempt from this requirement until July 1, 1993, if the application is received by the health right plan staff on or before September 30, 1992. Before July 1, 1993, these individuals shall continue to pay the annual enrollment fee required by subdivision 1.

Subd. 3. [ADMINISTRATION AND COMMISSIONER'S DUTIES.] Enrollment and premium fees Premiums are dedicated to the commissioner for the health right plan MinnesotaCare. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from the health right plan MinnesotaCare for failure to pay required premiums. Premiums are calculated on a calendar month basis and may be paid on a monthly or, quarterly, or annual basis, with the first payment due upon notice from the commissioner of the premium amount required. Premium payment is required before enrollment is complete and to maintain eligibility in the health right plan MinnesotaCare. Nonpayment of the premium will result in disenrollment from the plan within one calendar month after the due date. Persons disenrolled for nonpayment may not reenroll until four calendar months have elapsed."

Page 104, line 34, after the comma, insert "*the managed care plan may require that*" and delete "*must*"

Page 104, line 35, delete "*physician or clinic*" and insert "*provider*"

Page 105, line 15, delete "*(a)*"

Page 105, line 20, delete "*(a)*" and insert "*a*" and before the period, insert "*(B), notwithstanding any waivers authorized by the United States Department of Health and Human Services pursuant to United States Code, title 42, section 1315*"

Page 105, delete lines 21 to 32

Page 105, line 36, before the period, insert "*if the managed care plan has a contract for that population*"

Page 107, line 13, after "*has*" insert "*met*"

Page 107, line 19, delete everything after "*possible*"

Page 107, line 20, delete everything before the period

Pages 107 and 108, delete section 12

Page 108, line 5, reinstate the stricken "*one year*" and delete "*18 months*"

Page 108, line 18, delete "*18 months*" and insert "*one year*"

Page 108, line 19, reinstate the stricken "*one*"

Page 108, line 20, reinstate the stricken "*year of age*" and delete "*18 months old*"

Page 108, line 26, reinstate the stricken language

Page 108, line 27, reinstate the stricken language and delete the new language

Pages 108 and 109, delete section 15

Page 110, line 28, after "children" insert "under age 21"

Page 113, line 6, delete "18" and insert "24"

Page 113, after line 7, insert:

"Sec. 16. [MINNESOTACARE PROGRAM STUDY.]

The commissioner of human services shall examine the impact the MinnesotaCare program is having on the increase in medical assistance enrollment and costs. As part of this study, the commissioner shall determine whether other factors unrelated to the MinnesotaCare program may be contributing to the increase in medical assistance enrollment. The commissioner shall also make recommendations on necessary adjustments in revenues or expenditures to ensure that the health care access fund remains solvent for the 1996-1997 biennium. The commissioner shall present findings and recommendations to the legislative oversight commission by November 15, 1993."

Page 113, delete line 9

Page 113, line 10, delete "Sections 13 to 15 are" and insert:

"Section 11 is"

Page 113, line 11, delete "19" and insert "15"

Page 113, line 12, delete "11, 17, and 19" and insert "9, 13, 15, and 16"

Page 113, line 13, after the period, insert "Section 9, subdivision 4, is effective for all contracts entered into or renewed on or after the day following final enactment."

ReNUMBER the sections of article 10 in sequence

Page 120, line 34, before the period, insert ", or schools of nursing with an established masters program in nursing for the purpose of developing a nurse practitioner program in their masters curriculum"

Page 132, line 1, delete "8.6" and insert "7.6"

Page 133, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A, 290, 290A, 291, and 297A, and sections 295.50 to 295.59 and includes any laws for the assessment, collection, and enforcement of those taxes."

Page 134, line 8, after "delivered" insert "to Minnesota residents by nonresident pharmacies or that are delivered"

Page 134, line 14, strike "carrier" and after "copayments," insert "coinsurance,"

Page 136, lines 8 and 9, delete "Staff model health carrier is" and insert "'Staff model health carrier' means"

Page 137, delete section 12

Page 137, line 26, delete "section" and insert "sections 1833 and" and after "of" insert "title XVIII"

Page 137, line 27, delete "1385" and insert "1395"

Page 138, line 15, after "plan" insert "and enrollee deductibles, coinsurance, and copayments"

Page 138, line 30, delete "receiving grants" and insert "approved"

Page 138, line 31, delete "9536.1700 to 9535.1765" and insert "9535.1700 to 9535.1760"

Page 138, delete lines 34 to 36 and insert:

"(14) government payments received by a regional treatment center."

Page 139, line 12, strike "25 percent of gross revenues for the prior year" and insert "200 percent of the statutory net worth requirement, or if applicable, the upper limit of the reserve corridor established under section 620.04, the calculation of which may be determined on a consolidated basis, taking into account the amounts held in reserve by affiliated staff model health carriers"

Page 139, lines 14 and 15, delete the new language

Page 139, line 16, delete "subdivision 1," and strike "paid during the year"

Page 139, line 18, delete "on report #2" and insert "to the department of health in the"

Page 139, line 19, delete everything after "worth" and insert "pursuant to section 62D.08, subdivision 3, clause (a)"

Page 139, lines 20 and 21, delete the new language

Page 141, line 6, after the stricken "and" insert "provisions in sections 289A.43 and 289A.65" and strike "penalty" and insert "penalties in section 289A.63"

Page 141, line 7, strike "under chapter 289A" and insert "in section 289A.50"

Page 141, line 26, after the period, insert "The authority to transfer additional expenses generated by section 295.52 also applies to pharmacies to the extent their product is subject to the wholesale drug distributor tax."

Page 142, after line 15, insert:

"Sec. 22. Minnesota Statutes 1992, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and

from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources fund;

(2) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund, *except as provided in article 14, section 4.*"

Page 142, line 29, delete "2; 4; 5" and insert "3; 5; 6" and delete "7; 10" and insert "8; 11"

Page 142, line 32, delete "5" and insert "6"

Page 142, line 34, delete "3, 6, 20, 21, and 22" and insert "2, 4, 7, 14, 20, 21, and 23"

Page 142, after line 35, insert:

"Section 18 is effective January 1, 1993."

Renumber the sections of article 14 in sequence

Pages 143 and 144, delete section 1 and insert:

"Section 1. [APPROPRIATION.]

Subdivision 1. \$17,534,000 is appropriated from the health care access fund to the agencies and for the purposes indicated in this section, to be available for the fiscal year ending June 30 in the years indicated.

	1994	1995
Subd. 2. Higher Education Coordinating Board	54,000	108,000

This appropriation is to implement the loan forgiveness and rural clinical nurse practitioner education grant program under article 12.

Subd. 3. University of Minnesota	537,000	465,000
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This appropriation is to develop and administer a family and pediatric nurse practitioner program under article 12.

Subd. 4. Department of Human Services	528,000	456,000
Subd. 5. Department of Health	3,182,000	11,652,000
Subd. 6. Department of Revenue	165,000	165,000
Subd. 7. Office of the Attorney General	112,000	110,000

Sec. 2. [TRANSFER.]

The commissioner of finance shall transfer \$3,082,000 in fiscal year 1994 and \$7,002,000 in fiscal year 1995 from the health care access fund to the general fund.

Sec. 3. [CARRY FORWARD.]

Subdivision 1. \$250,000 of the appropriation in Laws 1992, chapter 549, article 10, section 1, subdivision 3, is available until June 30, 1994, to develop and implement a program to establish community health centers in rural areas of the state as authorized in Minnesota Statutes, section 144.1486.

Subd. 2. \$250,000 of the appropriation in Laws 1992, chapter 549, article 10, section 1, subdivision 3, is available until June 30, 1994, to award transition grants to rural hospitals as authorized in Minnesota Statutes, section 144.147.

Subd. 3. \$200,000 of the appropriation in Laws 1992, chapter 549, article 10, section 1, subdivision 3, is available until June 30, 1994, to award sole community hospital financial assistance grants as authorized by Minnesota Statutes, section 144.1484.

Sec. 4. [APPROPRIATIONS FROM CIGARETTE TAX REVENUES.]

Subdivision 1. [APPROPRIATIONS.] \$6,403,000 is appropriated for fiscal year 1994 and \$15,489,000 is appropriated for fiscal year 1995 from the general fund to the commissioner of health to be used for the WIC program.

\$6,850,000 is appropriated for fiscal year 1994 and \$13,450,000 is appropriated for fiscal year 1995 from the general fund to the commissioner of health to be used for consumer education and wellness programs. Of this appropriation, the commissioner of health must use at least 25 percent each fiscal year for tobacco use prevention and cessation activities.

\$5,551,000 is appropriated for fiscal year 1994 and \$11,051,000 is appropriated for fiscal year 1995 from the general fund to the commissioner of health to be used for family planning services grants.

\$500,000 is appropriated for fiscal year 1994 and \$500,000 in fiscal year 1995 from the general fund to the commissioner of health to be used for immunization outreach.

\$236,000 is appropriated for fiscal year 1994 and \$236,000 in fiscal year 1995 from the general fund to the commissioner of health to be used for chlamydia screening.

\$1,378,000 is appropriated for fiscal year 1994 and \$7,619,375 for fiscal year 1995 from the general fund to the commissioner of health for collaborative community projects to be used to provide grants and other incentives to encourage integrated service networks and other private organizations to collaborate with public health agencies and to achieve public health goals.

\$133,000 is appropriated in fiscal year 1994 and \$129,375 in fiscal year 1995 from the general fund to the commissioner of health to be used to conduct a study to identify essential public health functions and services to be provided through the state and local public health system, to estimate the costs associated with those services, and to develop a plan for coordinating the delivery of essential public health services with the integrated service networks and other private organizations.

\$705,000 is appropriated in fiscal year 1994 and \$705,000 in fiscal year 1995 from the general fund to the commissioner of health to be used for lead inspection grants.

Subd. 2. [TRANSFER.] Any balance remaining from the proceeds raised by the increase in the rate of the tax on cigarettes under Minnesota Statutes, section 297.02, enacted in 1993 shall be transferred from the general fund to the health care access fund.

Subd. 3. [EFFECTIVE DATE.] This section is effective only if an increase in the rate of the tax on cigarettes under Minnesota Statutes, section 297.02, is enacted in 1993 and becomes effective no later than July 1, 1993."

Amend the title as follows:

Page 1, line 36, delete "5,"

Page 1, line 37, delete ", subdivisions 1 and 2"

Page 1, line 38, delete "256B.04,"

Page 1, line 39, delete "subdivision 1;" and delete "2,"

Page 1, line 41, after the second semicolon, insert "270B.01, subdivision 8;"

Page 1, line 43, delete "subdivisions" and insert "a subdivision"

Page 1, line 45, delete "and" and before "proposing" insert "and 297.13, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which was re-referred

S.F. No. 919: A bill for an act relating to crime; prohibiting drive-by shootings, possession of dangerous weapons and trespassing on school property, negligent storage of firearms, and reckless discharge of firearms; providing for forfeiture of vehicles used in drive-by shootings and prostitution; authorizing certain governmental entities to adopt certain firearms ordinances; providing for access to juvenile court records; increasing penalty for repeat violations of pistol permit law; extending wiretap warrant period; providing for sentence of life without release for first-degree murder of a peace officer; making terminology changes and technical corrections related

to new felony sentencing law; expanding scope of sex offender registration and DNA specimen provisions; requiring certain counties to establish diversion programs; appropriating money; amending Minnesota Statutes 1992, sections 16B.08, subdivision 7; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 147.09; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 168.345, by adding a subdivision; 169.121, subdivision 3a; 169.222, subdivision 6, and by adding a subdivision; 169.64, subdivision 3; 169.98, subdivision 1a; 171.12, by adding a subdivision; 238.16, subdivision 2; 241.021, subdivision 1; 241.09; 241.67, subdivisions 1, 2, and by adding a subdivision; 243.166, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; 243.18, subdivision 2, and by adding a subdivision; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 256.486; 260.161, subdivisions 1 and 3; 260.185, subdivision 1; 289A.63, by adding a subdivision; 297B.10; 299A.35, subdivisions 1 and 2; 299C.46, by adding a subdivision; 299C.54, by adding a subdivision; 299D.06; 357.021, subdivision 2; 388.23, subdivision 1; 401.02, subdivision 4; 471.633; 480.0591, subdivision 6; 541.15; 609.0341, subdivision 1; 609.035; 609.06; 609.101, subdivisions 1, 2, 3, 4, and by adding a subdivision; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.184, subdivision 2; 609.196; 609.229, subdivision 3; 609.251; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.531; 609.5311, subdivision 3; 609.5312, subdivision 2; 609.5314, subdivisions 1 and 3; 609.5315, subdivisions 1, 2, and 4; 609.582, subdivision 1a; 609.585; 609.605, by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.713, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 611A.06, subdivision 1; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 10; 624.7132, subdivisions 4 and 8; 624.714, subdivision 1; 626.05, subdivision 2; 626A.06, subdivisions 4 and 5; 629.291, subdivision 1; 631.41; Laws 1991, chapter 279, section 41; Laws 1991, chapter 292, article 1, section 16; and Laws 1992, chapter 571, article 16, section 4; proposing coding for new law in Minnesota Statutes, chapters 254A; 401; 609; and 624; repealing Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; 241.671; 243.165; and 299A.325.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 and 4, delete section 3 and insert:

“Sec. 3. [152.0263] [ENHANCED PENALTY.]

A person who possesses a firearm:

(1) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(2) on or in close proximity to a person from whom a felony amount of controlled substance is seized; or

(3) on the premises where a controlled substance is seized and in close proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152;

may, upon conviction for an offense described in sections 152.021 to 152.025, be sentenced to twice the presumptive sentence otherwise provided for the offense under the sentencing guidelines.

Sec. 4. Minnesota Statutes 1992, section 471.633, is amended to read:

471.633 [FIREARMS.]

The legislature preempts all authority of a home rule charter or statutory city including a city of the first class, county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, to regulate firearms, ammunition, or their respective components to the complete exclusion of any order, ordinance or regulation by them except that:

(a) a governmental subdivision may regulate the discharge of firearms; ~~and~~

(b) a governmental subdivision may adopt zoning ordinances to regulate the site of business locations where firearms are sold by a firearms dealer; for the purposes of this clause, a firearms dealer is a person who is federally licensed to sell firearms from any location; and

(c) a governmental subdivision may adopt regulations identical to state law.

Local regulation inconsistent with this section is void.”

Page 18, after line 25, insert:

“Sec. 20. Minnesota Statutes 1992, section 609.67, subdivision 1, is amended to read:

Subdivision 1. [~~DEFINITION~~ DEFINITIONS.] (a) “Machine gun” means any firearm designed to discharge, or capable of discharging automatically more than once by a single function of the trigger, *or modified with any device enabling the firearm to be fired at the rate of a machine gun.*

(b) “Shotgun” means a weapon designed, redesigned, made or remade which is intended to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(c) “Short-barreled shotgun” means a shotgun having one or more barrels less than 18 inches in length and any weapon made from a shotgun if such weapon as modified has an overall length less than 26 inches.

Sec. 21. Minnesota Statutes 1992, section 609.67, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Except as otherwise provided herein, whoever owns, possesses, or operates a machine gun, *any device enabling a firearm to be fired at the rate of a machine gun*, or a short-barreled shotgun may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.”

Pages 19 and 20, delete section 20 and insert:

“Sec. 23. Minnesota Statutes 1992, section 624.711, is amended to read:
624.711 [DECLARATION OF POLICY.]

It is not the intent of the legislature to regulate shotguns, rifles and other longguns of the type commonly used for hunting and not defined as pistols or

military assault weapons, or to place costs of administration upon those citizens who wish to possess or carry pistols or *military assault weapons* lawfully, or to confiscate or otherwise restrict the use of pistols or *military assault weapons* by law-abiding citizens.

Sec. 24. Minnesota Statutes 1992, section 624.712, subdivision 6, is amended to read:

Subd. 6. "Transfer" means a sale, gift, loan, assignment or other delivery to another, whether or not for consideration, of a pistol or *military assault weapon* or the frame or receiver of a pistol or *military assault weapon*.

Sec. 25. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 7. "Military assault weapon" means:

(1) any of the following firearms:

(i) Avtomat Kalashnikov (AK-47) semiautomatic rifle type;

(ii) Beretta AR-70 and BM-59 semiautomatic rifle types;

(iii) Colt AR-15 semiautomatic rifle type;

(iv) Daewoo Max-1 and Max-2 semiautomatic rifle types;

(v) Famas MAS semiautomatic rifle type;

(vi) Fabrique Nationale FN-LAR and FN-FNC semiautomatic rifle types;

(vii) Galil semiautomatic rifle type;

(viii) Heckler & Koch HK-91, HK-93, and HK-94 semiautomatic rifle types;

(ix) Ingram MAC-10 and MAC-11 semiautomatic pistol and carbine types;

(x) Intratec TEC-9 semiautomatic pistol type;

(xi) Sigarms SIG 550SP and SIG 551SP semiautomatic rifle types;

(xii) SKS with detachable magazine semiautomatic rifle type;

(xiii) Steyr AUG semiautomatic rifle type;

(xiv) Street Sweeper and Striker-12 revolving-cylinder shotgun types;

(xv) USAS-12 semiautomatic shotgun type;

(xvi) Uzi semiautomatic pistol and carbine types; or

(xvii) Valmet M76 and M78 semiautomatic rifle types;

(2) any firearm that is another model made by the same manufacturer as one of the firearms listed in clause (1), and has the same action design as one of the listed firearms, and is a redesigned, renamed, or renumbered version of one of the firearms listed in clause (1), or has a slight modification or enhancement, including but not limited to a folding or retractable stock; adjustable sight; case deflector for left-handed shooters; shorter barrel; wooden, plastic, or metal stock; larger clip size; different caliber; or a bayonet mount; and

(3) any firearm that has been manufactured or sold by another company under a licensing agreement with a manufacturer of one of the firearms listed in clause (1) entered into after the effective date of this act to manufacture or sell firearms that are identical or nearly identical to those listed in clause (1), or described in clause (2), regardless of the company of production or country of origin.

The weapons listed in clause (1), except those listed in items (iii), (ix), (x), (xiv), and (xv), are the weapons the importation of which was barred by the Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the Treasury in July 1989.

Except as otherwise specifically provided in paragraph (d), a firearm is not a "military assault weapon" if it is generally recognized as particularly suitable for or readily adaptable to sporting purposes under United States Code, title 18, section 925, paragraph (d)(3), or any regulations adopted pursuant to that law.

Sec. 26. Minnesota Statutes 1992, section 624.713, is amended to read:

624.713 [CERTAIN PERSONS NOT TO HAVE PISTOLS OR MILITARY ASSAULT WEAPONS; PENALTY.]

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol or military assault weapon:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol or military assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or military assault weapon and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16 of a misdemeanor or gross misdemeanor violation of chapter 152, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or

marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Subd. 2. [PENALTIES.] A person named in subdivision 1, clause (a) or (b), who possesses a pistol or *military assault weapon* is guilty of a felony. A person named in any other clause of subdivision 1 who possesses a pistol or *military assault weapon* is guilty of a gross misdemeanor.

Subd. 3. [NOTICE TO CONVICTED PERSONS.] When a person is convicted of a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from possessing a pistol or *military assault weapon* for a period of ten years after the person was restored to civil rights or since the sentence has expired, whichever occurs first, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol or *military assault weapon* possession prohibition or the felony penalty to that defendant.

Sec. 27. Minnesota Statutes 1992, section 624.7131; subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a pistol transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee; and

(c) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or *military assault weapon*.

The statement shall be signed by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 28. Minnesota Statutes 1992, section 624.7131, subdivision 4, is amended to read:

Subd. 4. [GROUNDS FOR DISQUALIFICATION.] A determination by the chief of police or sheriff that the applicant is prohibited by section 624.713 from possessing a pistol or *military assault weapon* shall be the only basis for refusal to grant a transferee permit.

Sec. 29. Minnesota Statutes 1992, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol or *military assault weapon* to a *licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714* is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 30. Minnesota Statutes 1992, section 624.7132, is amended to read:

624.7132 [REPORT OF TRANSFER.]

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or *military assault weapon* shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(c) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or *military assault weapon*; and

(d) the address of the place of business of the transferor.

The report shall be signed by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Subd. 2. [INVESTIGATION.] Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota crime information system.

Subd. 3. [NOTIFICATION.] The chief of police or sheriff shall notify the transferor and proposed transferee in writing as soon as possible if the chief or sheriff determines that the proposed transferee is prohibited by section 624.713 from possessing a pistol or *military assault weapon*. The notification to the transferee shall specify the grounds for the disqualification of the proposed transferee and shall set forth in detail the transferee's right of appeal under subdivision 13.

Subd. 4. [DELIVERY.] *Except as otherwise provided in subdivision 7 or 8, no person shall deliver a pistol or military assault weapon to a proposed transferee until seven days after the date of the agreement to transfer as stated on the report delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period.*

No person shall deliver a pistol or military assault weapon to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol or military assault weapon.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, the pistol or military assault weapon may be delivered to the transferee.

Subd. 5. [GROUNDS FOR DISQUALIFICATION.] A determination by the chief of police or sheriff that the proposed transferee is prohibited by section 624.713 from possessing a pistol or military assault weapon shall be the sole basis for a notification of disqualification under this section.

Subd. 6. [TRANSFEREE PERMIT.] If a chief of police or sheriff determines that a transferee is not a person prohibited by section 624.713 from possessing a pistol or military assault weapon, the transferee may, within 30 days after the determination, apply to that chief of police or sheriff for a transferee permit, and the permit shall be issued.

Subd. 7. [IMMEDIATE TRANSFERS.] The chief of police or sheriff may waive all or a portion of the seven day waiting period for a transfer.

Subd. 8. [REPORT NOT REQUIRED.] (1) If the proposed transferee presents a valid transferee permit issued under section 624.714, ~~subdivision 9 624.7131~~ or a valid permit to carry issued under section 624.714, or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, who presents a valid peace officer photo identification and badge, the transferor need not file a transfer report.

(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol or military assault weapon may be made under subdivision 4.

Subd. 9. [NUMBER OF PISTOLS OR MILITARY ASSAULT WEAPONS.] Any number of pistols or military assault weapons may be the subject of a single transfer agreement and report to the chief of police or sheriff. Nothing in this section or section 624.7131 shall be construed to limit or restrict the number of pistols or military assault weapons a person may acquire.

Subd. 10. [RESTRICTION ON RECORDS.] If, after a determination that the transferee is not a person prohibited by section 624.713 from possessing a pistol or military assault weapon, a transferee requests that no record be maintained of the fact of who is the transferee of a pistol or military assault weapon, the chief of police or sheriff shall sign the transfer report and return it to the transferee as soon as possible. Thereafter, no government employee

or agency shall maintain a record of the transfer that identifies the transferee, and the transferee shall retain the report of transfer.

Subd. 11. [FORMS; COST.] Chiefs of police and sheriffs shall make transfer report forms available throughout the community. There shall be no charge for forms, reports, investigations, notifications, waivers or any other act performed or materials provided by a government employee or agency in connection with a ~~pistol~~ transfer.

Subd. 12. [EXCLUSIONS.] This section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

- (a) A transfer by a person other than a federally licensed firearms dealer;
- (b) A loan to a prospective transferee if the loan is intended for a period of no more than one day;
- (c) The delivery of a *pistol or military assault weapon* to a person for the purpose of repair, reconditioning or remodeling;
- (d) A loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;
- (e) A loan between persons at a firearms collectors exhibition;
- (f) A loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than 12 hours;
- (g) A loan between law enforcement officers who have the power to make arrests other than citizen arrests; and
- (h) A loan between employees or between the employer and an employee in a business if the employee is required to carry a *pistol or military assault weapon* by reason of employment and is the holder of a valid permit to carry a *pistol or military assault weapon*.

Subd. 13. [APPEAL.] A person aggrieved by the determination of a chief of police or sheriff that the person is prohibited by section 624.713 from possessing a *pistol or military assault weapon* may appeal the determination as provided in this subdivision. In Hennepin and Ramsey counties the municipal court shall have jurisdiction of proceedings under this subdivision. In the remaining counties of the state, the county court shall have jurisdiction of proceedings under this subdivision.

On review pursuant to this subdivision, the court shall be limited to a determination of whether the proposed transferee is a person prohibited from possessing a *pistol or military assault weapon* by section 624.713.

Subd. 14. [TRANSFER TO UNKNOWN PARTY.] (a) No person shall transfer a *pistol or military assault weapon* to another who is not personally known to the transferor unless the proposed transferee presents evidence of identity to the transferor. A person who transfers a *pistol or military assault weapon* in violation of this clause is guilty of a misdemeanor.

(b) No person who is not personally known to the transferor shall become a transferee of a *pistol or military assault weapon* unless the person presents evidence of identity to the transferor. A person who becomes a transferee of

a pistol or military assault weapon in violation of this clause is guilty of a misdemeanor.

Subd. 15. [PENALTIES.] A person who does any of the following is guilty of a gross misdemeanor:

(a) Transfers a pistol or military assault weapon in violation of subdivisions 1 to 13;

(b) Transfers a pistol or military assault weapon to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

(c) Knowingly becomes a transferee in violation of subdivisions 1 to 13; or

(d) Makes a false statement in order to become a transferee of a pistol or military assault weapon knowing or having reason to know the statement is false.

Subd. 16. [LOCAL REGULATION.] This section shall be construed to supersede municipal or county regulation of the transfer of pistols."

Page 20, lines 31 and 35, after "pistol" insert "*or military assault weapon*"

Pages 21 to 25, delete sections 23 and 24 and insert:

"Sec. 33. [624.7181] [RIFLES AND SHOTGUNS IN PUBLIC PLACES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Carry" does not include:

(1) the carrying of a rifle or shotgun to, from, or at a place where firearms are repaired, bought, sold, traded, or displayed; or where hunting, target shooting, or other lawful activity involving firearms occurs;

(2) the carrying of a rifle or shotgun by a person who has a permit under section 624.714;

(3) the carrying of an antique firearm as a curiosity or for its historical significance or value; or

(4) the transporting of a rifle or shotgun in compliance with section 97B.045.

(b) "Public place" means property owned, leased, or controlled by a governmental unit and private property that is regularly and frequently open to or made available for use by the public in sufficient numbers to give clear notice of the property's current dedication to public use but does not include: a person's dwelling house or premises, the place of business owned or managed by the person, or land possessed by the person; a gun show, gun shop; or hunting or target shooting facility; or the woods, fields, or waters of this state where the person is present lawfully for the purpose of hunting or target shooting or other lawful activity involving firearms.

Subd. 2. [GROSS MISDEMEANOR.] Whoever carries a rifle or shotgun on or about the person in a public place in a municipality is guilty of a gross misdemeanor.

Subd. 3. [EXCEPTIONS.] This section does not apply to officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States, or private detectives or protective agents, to the extent that these persons are authorized by law to carry firearms and are acting in the scope of official duties."

Page 25, delete line 22 and insert:

"Sections 1 to 3, 5 to 31, and 33"

Page 25, line 24, delete everything after the period

Page 25, delete line 25

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8 and insert "authorizing the adoption of zoning ordinances governing the location of firearms dealers;"

Page 1, line 18, after "programs;" insert "prohibiting possession of a device for converting a firearm to fire at the rate of a machine gun; prohibiting carrying rifles and shotguns in public;"

Page 2, line 11, after "subdivisions;" insert "609.67, subdivisions 1 and 2;"

Page 2, line 13, after the first semicolon, insert "624.711;" and delete "subdivision 5; 624.713," and insert "subdivisions 5 and 6, and by adding a subdivision; 624.713;"

Page 2, line 14, delete "subdivision 1;" and delete "subdivision 10" and insert "subdivisions 1, 4, and 10" and delete the second comma and insert a semicolon

Page 2, line 15, delete "subdivisions 4 and 8;"

Page 2, line 21, after "chapters" insert "152;"

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Joint Rule 2.03 suspended. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 964 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
964	798				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 964 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 964 and insert the language after the enacting clause of S.F. No. 798, the first engrossment; further, delete the title of H.F. No. 964 and insert the title of S.F. No. 798, the first engrossment.

And when so amended H.F. No. 964 will be identical to S.F. No. 798, and further recommends that H.F. No. 964 be given its second reading and substituted for S.F. No. 798, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1476, 1467, 880 and 900 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 584 and 964 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Kelly, Mses. Ranum and Johnston introduced—

S.F. No. 1624: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Mr. Novak was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Janezich was excused from the Session of today from 8:30 to 11:30 a.m. Messrs. Chandler and Lessard were excused from the Session of today from 9:00 to 11:00 a.m. Mr. Langseth was excused from the Session of today at 9:45 a.m. Ms. Piper was excused from the Session of today at 4:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Saturday, May 1, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-EIGHTH DAY

St. Paul, Minnesota, Saturday, May 1, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Pat Piper.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 29, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	507	54	2:58 p.m. April 28	April 28
	1296	55	3:00 p.m. April 28	April 28
	520	56	3:02 p.m. April 28	April 28
	469	57	3:04 p.m. April 28	April 28
	1089	58	3:05 p.m. April 28	April 28
	1074	59	3:07 p.m. April 28	April 28

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 House Files, herewith transmitted: H.F. Nos. 272 and 1178.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 30, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 272: A bill for an act relating to state departments; abolishing department of public safety and transferring certain responsibilities and personnel to other agencies; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 13.99, subdivision 82; 15.01; 15A.081, subdivision 1; 16B.14; 16B.46; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 65B.28, subdivision 2; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 216C.19, subdivision 1; 218.031, subdivision 2; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.30; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 299F.01; 299F.05, subdivision 2; 299L.01, subdivision 1; 340A.201; 347.51, subdivision 2a; 349.151, subdivision 2; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; repealing Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; and 299A.01; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7.

Referred to the Committee on Finance.

H.F. No. 1178: A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and

regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for classification of certain tax data; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.317, subdivision 5; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.05, subdivision 2, and by adding a subdivision; 62J.09, subdivisions 2, 5, 8, and by adding subdivisions; 62J.15, subdivision 1; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 62J.33; 62J.34, subdivision 2; 62L.02, subdivisions 16, 19, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 2, 3, 4, and 6; 62L.08, subdivisions 4 and 8; 62L.09, subdivision 1; 62L.11, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2, 4, and 5; 136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.147, subdivision 4; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 144.581, subdivision 2; 151.47, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9352, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, and 5; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3, and by adding a subdivision; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, and 2a; 256B.0625, subdivision 13; 256D.03, subdivision 3; 270B.01, subdivision 8; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 3, and by adding a subdivision; 295.54; 295.55, subdivision 4; 295.57; 295.58; 295.59; Laws 1990, chapter 591, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 62A; 62J; 136A; 144; 151; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.15, subdivision 2; 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 900, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1450 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1450	1476				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1450 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1450 and insert the language after the enacting clause of S.F. No. 1476, delete the title of H.F. No. 1450 and insert the title of S.F. No. 1476.

And when so amended H.F. No. 1450 will be identical to S.F. No. 1476, and further recommends that H.F. No. 1450 be given its second reading and substituted for S.F. No. 1476, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 1450 was read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 287 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 287: A bill for an act relating to waste management; encouraging local government units to use purchasing techniques to reduce waste and develop markets for recycled products; prohibiting burning and burial of harmful materials on farms; defining packaging; prohibiting disposal of unprocessed mixed municipal solid waste; extending the time to construct certain projects with grant money; authorizing counties to count waste reduction toward 1996 recycling goals; providing for county management and service contracts; requiring local government units to separately account for all revenue and spending related to waste management; requiring collectors of commercial waste to disclose where the waste is deposited; prohibiting fluorescent and high intensity discharge lamps in solid waste; clarifying that organized waste collection is one of several tools for cities and counties to use to collect waste; requiring reporting of tipping fee schedules at all waste facilities; requiring owners or operators of waste facilities that are publicly financed to account for charges and expenditures related to the facilities; regulating lamp recycling facilities; requiring electric utilities to encourage use of fluorescent and high intensity discharge lamps and to collect spent lamps; requiring a study of such lamps; extending by one year the solid waste field citation pilot program; providing for the postponement of certain waste collection fees; requiring a certain number of base units for homesteaded multiunit dwellings; clarifying the effects of the repeal of the metropolitan landfill siting process; providing for reports; amending Minnesota Statutes 1992, sections 16B.121; 16B.122, by adding a subdivision; 17.135; 115.071, subdivision 1; 115A.03, by adding a subdivision; 115A.034; 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.551, subdivisions 2a and 4; 115A.552, subdivision 2; 115A.557, subdivision 3; 115A.56; 115A.916; 115A.929; 115A.932, subdivision 1; 115A.94, subdivisions 5 and 6; 115A.941; 115A.9651; 115A.981; 116.78, by adding a subdivision; 116.92,

subdivision 7; 216B.241, by adding a subdivision; 325E.1151, subdivision 1; 325E.12; 325E.125, subdivision 1; 325E.1251; 400.04, subdivisions 3 and 4; 400.08, subdivision 3; 473.149, subdivision 6; 473.803, subdivision 3; 473.8441, subdivision 5; 473.846; and 473.848, subdivisions 2 and 3; Laws 1991, chapter 347, article 1, sections 15, subdivisions 1 and 6; and 20; Laws 1992, chapter 593, article 1, section 55; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

Ms. Johnson, J.B. moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 4, after line 26, insert:

“Sec. 3. Minnesota Statutes 1992, section 16B.123, is amended to read:
16B.123 [PACKING MATERIALS.]

Subdivision 1. [REQUIRED USE.] Whenever technically feasible, a public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources.

Subd. 2. [DEFINITION; PACKING MATERIAL.] For the purposes of this section, “packing material” means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

Subd. 3. [PURCHASE OF PACKAGED PRODUCTS.] *Whenever practicable, a public entity shall specify use of degradable loose foam packing material in contracting for purchase of packaged products, unless the cost of a product packaged with loose foam packing material is more than ten percent greater than the cost of the product packaged with loose foam packing material made from nonrenewable resources.”*

Page 23, after line 25, insert:

“Sec. 33. [116.94] [LOOSE FOAM PACKING MATERIAL; DIFFERENTIATION.]

(a) By July 1, 1995, the commissioner shall adopt rules to implement a method for easily and visually differentiating between packing material that is manufactured using only vegetable starches or other renewable resources and packing material manufactured using petroleum and other nonrenewable resources.

(b) For the purposes of this section “packing material” has the meaning given in section 16B.123, subdivision 2.

(c) This section applies only if loose foam packing material manufacturers do not establish and implement a differentiation method that complies with paragraph (a) not later than July 1, 1994.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mrs. Pariseau moved to amend the Johnson, J.B. amendment to H.F. No. 287 as follows:

Page 1, delete lines 27 to 37

Page 2, delete lines 1 to 4

CALL OF THE SENATE

Ms. Johnson, J.B. imposed a call of the Senate for the balance of the proceedings on H.F. No. 287. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Pariseau amendment to the Johnson, J.B. amendment.

The roll was called, and there were yeas 11 and nays 46, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Larson	Oliver	Runbeck	Stevens
Benson, J.E.	Lessard	Pariseau	Samuelson	Terwilliger
Johnston				

Those who voted in the negative were:

Adkins	Dille	Knutson	Morse	Robertson
Anderson	Finn	Krentz	Murphy	Sams
Berg	Flynn	Langseth	Neuville	Spear
Berglin	Frederickson	Lesewski	Novak	Stumpf
Bertram	Hanson	Luther	Olson	Vickerman
Betzold	Hottinger	Marty	Pappas	Wiener
Chandler	Janezich	Merriam	Piper	
Chmielewski	Johnson, D.J.	Metzen	Price	
Cohen	Johnson, J.B.	Moe, R.D.	Ranum	
Day	Kiscaden	Mondale	Riveness	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Johnson, J.B. amendment. The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 2, after line 2, insert:

“Section 1. [8.35] [USE OF STATE FUNDS TO INVESTIGATE ENVIRONMENTAL VIOLATIONS.]

The attorney general may not use state funds to investigate violations of chapter 115 or 116 or section 609.671 unless:

(1) the attorney general has developed a written policy in consultation with the commissioner of the pollution control agency regarding how these investigations are to be conducted; and

(2) the investigation is conducted in accordance with the policy.”

Page 27, after line 24, insert:

“Sec. 40. Minnesota Statutes 1992, section 609.671, subdivision 5, is amended to read:

Subd. 5. [HAZARDOUS WASTE; UNLAWFUL TREATMENT, STOR-

AGE, TRANSPORTATION, OR DELIVERY.] (a) *Except as provided in paragraph (b), a person is guilty of a felony who knowingly does any of the following:*

(1) delivers hazardous waste to any person other than a person who is authorized to receive the waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 6921 to 6938;

(2) treats or stores hazardous waste without a permit if a permit is required, or in violation of a material term or condition of a permit held by the person, unless:

(i) the person notifies the agency prior to the time a permit would be required that the person will be treating or storing waste without a permit; or

(ii) for a violation of a material term or condition of a permit, the person immediately notifies the agency issuing the permit of the circumstances of the violation as soon as the person becomes aware of the violation;

(3) transports hazardous waste to any location other than a facility that is authorized to receive, treat, store, or dispose of the hazardous waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 6921 to 6938;

(4) transports hazardous waste without a manifest as required by the rules under sections 116.07, subdivision 4, and 221.172; or

(5) transports hazardous waste without a license required for the transportation of hazardous waste by chapter 221.

(b) *Notwithstanding section 609.05, a person who generates hazardous waste and violates clause (4) or (5) of this subdivision by arranging for the transportation of the waste with a waste hauler who is not licensed for the transportation of hazardous waste or is transporting the waste without a manifest is guilty of a misdemeanor, unless:*

(1) *the person has previously been found guilty of violating this subdivision;*
or

(2) *the violation results in damage to the environment or to public health.*

(c) *A person convicted of a felony under this subdivision may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$25,000, or both. A person convicted for a second or subsequent felony offense may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$50,000, or both."*

Page 31, line 17, before "Section" insert "*Section 1 is effective December 31, 1993.*"

Page 31, line 23, after the period, insert "*Section 40 is effective retroactively to August 1, 1992, and applies to violations occurring on or after that date.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 41, delete the second "and" and after the second semicolon, insert "and 609.671, subdivision 5;"

Page 1, line 45, after "chapters" insert "8;"

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 6, line 18, delete "1995" and insert "1996"

The motion prevailed. So the amendment was adopted.

Mr. Dille moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 31, after line 12, insert:

"Sec. 48. [PENALTIES FOR ENVIRONMENTAL VIOLATIONS; LIST; REPORT.]

(a) The attorney general shall compile a complete list of existing civil and criminal penalties for violations of laws and rules administered by the pollution control agency.

(b) The commissioner of the pollution control agency shall prepare a report that includes:

(1) an evaluation of the appropriateness of the penalties listed under paragraph (a); and

(2) recommendations for changes, including proposed legislation.

(c) The list and report must be submitted by February 1, 1994, to the senate and house of representatives committees on environment and natural resources, the senate committee on crime prevention, and the house of representatives committee on judiciary."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 27, after the semicolon, insert "requiring a report on environmental violations;"

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 23, line 21, after "recycling" insert "that is"

Page 24, delete lines 1 to 8

Page 24, line 9, delete "(c)" and insert "(b)"

Page 24, line 13, delete "(d)" and insert "(c)"

Page 24, line 23, delete "(e)" and insert "(d)"

Page 24, line 28, delete "(f)" and insert "(e)"

Page 31, line 18, delete everything after the period

Page 31, line 19, delete everything before "Section"

Page 31, line 21, delete ", 30,"

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "expanding requirements for state purchases of products containing postconsumer material; expanding provisions relating to recycling;"

Page 1, line 5, after the semicolon, insert "requiring state recycling of fluorescent lamps;"

Page 1, line 16, delete "requiring"

Page 1, line 17, delete everything before "requiring"

Page 1, line 21, after the semicolon, insert "clarifying liability for generators of waste lamps; allowing insurance as proof of financial responsibility for solid waste disposal facilities; regulating lamp recycling facilities;"

Page 1, line 22, delete everything before "to" and insert "authorizing programs"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 4, line 9, delete "weight" and insert "fiber content"

The motion prevailed. So the amendment was adopted.

Mr. Mondale moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 15, line 29, after the comma, insert "hexavalent chromium in the form of chromine acid when processed at a temperature of at least 750 degrees Fahrenheit,"

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 6, after line 16, insert:

"Sec. 9. Minnesota Statutes 1992, section 115A.072, subdivision 2, is amended to read:

Subd. 2. [OFFICE DUTIES.] In addition to its general duties established in subdivision 1, the office shall:

(1) develop a statewide waste management public education campaign with materials that may be easily adapted by political subdivisions to meet their

program needs and that, in addition to general waste management concerns, addresses reduction, reuse, recycling, recycled content, composting, resource recovery, and disposal of packaging materials by consumers and others, including informing consumers of their right to remove unwanted packaging at the point of sale and to leave it with the seller, keeping in mind preservation of the safety and sanitation of the seller's establishment; and

(2) develop and make available to schools educational curricula on waste education for grades kindergarten to 12 to address at least waste reduction, reuse, recycling, litter, and proper management and disposal of problem materials; and

(3) inform consumers, after consultation with the commissioner of the agency and the department of natural resources, of the environmental consequences of burning solid waste materials outside of incinerators designed and permitted to burn solid waste and of on-site burial of solid waste.

Sec. 10. [115A.0721] [GOVERNOR'S AWARD; PACKAGING.]

The governor may issue annual awards in the form of commendations for excellence in producing, selling, reusing, reducing, or recycling packaging in an environmentally sound manner.

Sec. 11. Minnesota Statutes 1992, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.]

(a) The director shall establish a solid waste management advisory council, a hazardous waste management planning council, and a market development coordinating council, and a packaging advisory council, that are broadly representative of the geographic areas and interests of the state.

(b) The solid waste council shall have not less than nine nor more than 21 members. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The hazardous waste council shall have not less than nine nor more than 18 members. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms.

(d) The market development coordinating council shall have not less than nine nor more than 18 members and shall consist of one representative from the department of trade and economic development, the department of administration, the pollution control agency, Minnesota Technology, Inc., the metropolitan council, and the legislative commission on waste management. The other members shall represent local government units, private recycling markets, and private recycling collectors. The market development coordinating council expires June 30, 1994.

(e) *The packaging advisory council shall have not less than ten or more than 18 members. The membership of the packaging advisory council must consist of one-third representatives of environmental organizations, one-third representatives of the public sector, and one-third representatives of industry. Three members must have packaging expertise and three members must have technical solid waste expertise. The packaging advisory council expires June 30, 1998.*

(f) *The chairs of the advisory councils shall be appointed by the director. The director shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the director. The solid waste advisory council shall make recommendations to the office on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the office on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the director. The solid waste management advisory council and the hazardous waste management planning council expire June 30, 1994.*

Sec. 12. Minnesota Statutes 1992, section 115A.12, is amended by adding a subdivision to read:

Subd. 3. [PACKAGING ADVISORY COUNCIL; DUTIES; REPORTS.]

(a) *The packaging advisory council shall:*

(1) *advise the director on a recommended system of classifications for packaging materials that contribute more than an insignificant amount to the waste stream;*

(2) *advise the director on standard procedures for measuring the amount of packaging in the waste stream, the environmental consequences of processing and disposal of the various classifications of packaging materials, and progress toward meeting the goal established in section 115A.5501;*

(3) *develop economic guidelines for counties, cities, and towns to indicate when a jurisdiction should add to its recycling program the collection and processing of a specific classification of packaging material or when an exemption is appropriate based on local conditions;*

(4) *advise the director, by December 1, 1993, on recommended recycling goals for each packaging classification, a schedule for achieving the goals, who should have responsibility for achieving the goals, methods to achieve the goals, including innovative collection and processing systems, how to pay the costs of achieving the goals, criteria and procedures for exemptions from the goals, and ways to balance the supply of and demand for recyclable packaging materials while minimizing public subsidization;*

(5) *advise the director on a recommended low recycling penalty for each packaging material classification that fails to meet its recycling goal, including structural details of the penalty; and*

(6) *report to the director a comprehensive range of additional public policies and private activities that might encourage maximum reduction in the amount of and environmental risks associated with the production and use of packaging.*

(b) The director shall submit to the appropriate legislative committees the following reports:

(1) by January 15, 1994, an interim progress report on the packaging advisory council's activities; and

(2) by January 15, 1995, a final report on the results of the council's activities."

Page 9, after line 4, insert:

"Sec. 16. Minnesota Statutes 1992, section 115A.5501, subdivision 4, is amended to read:

Subd. 4. [REPORT REPORTS.] *(a) The director shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By July 1, 1994, the director shall submit to the legislative commission on waste management an analysis of progress made toward meeting the packaging reduction goal in subdivision 1. By July 1, 1996, the director shall submit to the legislative commission on waste management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal.*

(b) By July 1 of each even-numbered year, the director shall report to the legislative commission on waste management on the progress made toward the production and use of environmentally sound packaging. In 1994 and 1996, this report must be combined with the reports required in paragraph (a)."

Page 31, after line 12, insert:

"Sec. 53. [REPORT; TOXICS IN PACKAGING.]

By August 1, 1994, the commissioner of the pollution control agency shall submit to the legislative commission on waste management a report that analyzes compliance with Minnesota Statutes, section 115A.965, and may recommend legislative action, including additions to the list of toxics prohibited from packaging under that section.

Sec. 54. [ENVIRONMENTAL BURDEN FEE; REPORT.]

By November 1, 1995, the director of the office of waste management, after consultation with the commissioners of revenue and the pollution control agency, the packaging advisory council established under Minnesota Statutes, section 115A.12, subdivision 1, and other interested parties, shall recommend to the legislative commission on waste management a mechanism for imposition and collection of a fee on packaging that poses significant harmful environmental consequences when it is processed or disposed as solid waste. The fee must be set at a level that will cover the costs of the harmful environmental consequences or the costs of separate management of the waste packaging."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. then moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 14, after line 35, insert:

“Sec. 23. [115A.9523] [HAZARDOUS PRODUCTS; LABELING.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) “Hazardous product” means a product that, as a product or when it becomes a waste, exhibits a hazardous characteristic of ignitability, corrosivity, reactivity, or toxicity, or any combination of these characteristics, as defined and listed under the criteria in Code of Federal Regulations, title 40, sections 261.20 to 261.24. “Hazardous product” does not include:

(1) a pesticide that is registered under chapter 18B;

(2) a product that is required to be labeled for proper waste management under other state or federal law;

(3) a battery that complies with sections 115A.961 and 325E.125 as applicable to the battery; or

(4) a prescription drug.

(c) “Product” means tangible personal property that is manufactured or imported for retail sale or use in this state. “Product” does not include a durable good with an expected useful life of three years or more.

Subd. 2. [UNIFORM LABEL.] The director shall adopt a rule to establish a uniform label for hazardous products that must include at least a warning that, as waste, the product contains a hazardous material that can harm the environment if not properly managed and information for proper management or disposal of the waste product.

Subd. 3. [LABEL; REQUIRED USE.] After January 1, 1996, a manufacturer may not knowingly offer a hazardous product for distribution, sale, or use in this state unless the product is labeled, on the product itself or on the container that remains with the product during its useful life, with the label adopted under subdivision 2. This subdivision is not effective if the federal government adopts and implements uniform labeling of hazardous products by January 1, 1996, and if the label required both warns of the presence of hazardous material and informs of proper management of the product as waste. For the purposes of this subdivision, a retailer or a distributor is not a manufacturer and is not subject to the requirements of this section.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 16, after the semicolon, insert “requiring labeling of hazardous products;”

Mr. Merriam moved to amend the Johnson, J.B. amendment to H.F. No. 287 as follows:

Page 1, lines 35 and 36, delete “that remains with the product during its useful life”

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Neuville moved to amend the Johnson, J.B. amendment to H.F. No. 287 as follows:

Page 1, line 32, delete "1996" and insert "2000"

Page 2, line 2, delete "1996" and insert "2000"

The question was taken on the adoption of the Neuville amendment to the Johnson, J.B. amendment.

The roll was called, and there were yeas 38 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Laidig	Neuville	Samuelson
Beckman	Frederickson	Langseth	Novak	Solon
Belanger	Hanson	Larson	Oliver	Stevens
Benson, D.D.	Johnston	Lesewski	Olson	Stumpf
Benson, J.E.	Kelly	Lessard	Pariseau	Terwilliger
Berg	Kiscaden	McGowan	Robertson	Vickerman
Bertram	Knutson	Metzen	Runbeck	
Day	Kroening	Murphy	Sams	

Those who voted in the negative were:

Anderson	Finn	Krentz	Morse	Riveness
Berglin	Flynn	Luther	Pappas	Spear
Betzold	Hottinger	Marty	Piper	Wiener
Chandler	Janezich	Merriam	Price	
Chmielewski	Johnson, D.J.	Moe, R.D.	Ranum	
Cohen	Johnson, J.B.	Mondale	Reichgott	

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Johnson, J.B. amendment, as amended.

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Murphy	Robertson
Benson, D.D.	Frederickson	Laidig	Neuville	Sams
Benson, J.E.	Hottinger	Luther	Novak	Samuelson
Berglin	Janezich	Marty	Pappas	Spear
Betzold	Johnson, D.J.	McGowan	Piper	Terwilliger
Chandler	Johnson, J.B.	Merriam	Price	Wiener
Chmielewski	Kelly	Moe, R.D.	Ranum	
Cohen	Kiscaden	Mondale	Reichgott	
Finn	Krentz	Morse	Riveness	

Those who voted in the negative were:

Adkins	Day	Langseth	Oliver	Stevens
Beckman	Dille	Larson	Olson	Stumpf
Belanger	Hanson	Lesewski	Pariseau	Vickerman
Berg	Johnston	Lessard	Runbeck	
Bertram	Knutson	Metzen	Solon	

The motion prevailed. So the Johnson, J.B. amendment, as amended, was adopted.

Ms. Runbeck moved to amend the Johnson, J.B. amendment to H.F. No. 287, adopted by the Senate May 1, 1993, as follows:

Page 1, lines 32 and 34, after "manufactured" insert "in this state"

Page 2, line 2, after "manufacturers" insert "in this state"

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Lessard moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 14, line 19, after "city" insert a comma and after "town" insert "*described in section 368.01,*"

Page 14, line 20, after "of" insert "*1,000 or more, and any other town with a population of*" and reinstate the stricken "5,000" and delete "1,000"

Page 14, line 27, strike "with a population of" and delete "1,000" and strike "or more" and insert "*described in paragraph (a)*"

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend H.F. No. 287, as amended pursuant to Rule 49, adopted by the Senate April 29, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 271.)

Page 5, after line 18, insert:

"Sec. 5. [43A.325] [EARTH DAY ACTIVITIES.]

Each agency shall allow up to ten percent of its employees time off from work, without penalty or deduction from salary or wages, to take part as representatives of the agency in earth day activities officially recognized by the local governmental unit in which the agency's owned or leased work facilities are located."

ReNUMBER the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, after the first semicolon, insert "requiring state agencies to allow employees time off from work to take part in earth day activities;"

Page 1, line 45, after "chapters" insert "43A;"

The motion prevailed. So the amendment was adopted.

H.F. No. 287 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Laidig	Murphy	Riveness
Anderson	Frederickson	Langseth	Neuville	Robertson
Beckman	Hanson	Lesewski	Novak	Runbeck
Belanger	Hottinger	Lessard	Oliver	Sams
Benson, D.D.	Janezich	Luther	Olson	Samuelson
Benson, J.E.	Johnson, D.J.	Marty	Pappas	Solon
Berglin	Johnson, J.B.	McGowan	Pariseau	Spear
Bertram	Johnston	Merriam	Piper	Stevens
Betzold	Kelly	Metzen	Pogemiller	Stumpf
Chandler	Kiscaden	Moe, R.D.	Price	Terwilliger
Chmielewski	Knutson	Mondale	Ranum	Vickerman
Finn	Krentz	Morse	Reichgott	Wiener

Messrs. Berg, Day, Dille and Larson voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1199 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1199: A bill for an act relating to state government; the legislative commission on employee relations; modifying provisions relating to certain plans; ratifying certain salaries and a bargaining agreement; requiring certain documents; amending Minnesota Statutes 1992, sections 15A.083, subdivision 4; 43A.18, subdivision 4; and 179A.04, subdivision 3; repealing Minnesota Statutes 1992, section 43A.24, subdivision 3.

Mr. Metzen moved to amend H.F. No. 1199, as amended pursuant to Rule 49, adopted by the Senate April 30, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1076.)

Page 6, delete section 7

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1199 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Murphy	Riveness
Anderson	Finn	Laidig	Neuville	Robertson
Beckman	Flynn	Larson	Novak	Runbeck
Belanger	Hanson	Lesewski	Oliver	Sams
Benson, D.D.	Hottinger	Lessard	Olson	Samuelson
Benson, J.E.	Johnson, D.J.	Luther	Pappas	Solon
Berg	Johnson, J.B.	Marty	Pariseau	Spear
Berglin	Johnston	Merriam	Piper	Stevens
Bertram	Kelly	Metzen	Pogemiller	Stumpf
Betzold	Kiscaden	Moe, R.D.	Price	Terwilliger
Chandler	Knutson	Mondale	Ranum	Vickerman
Chmielewski	Krentz	Morse	Reichgott	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 53 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 53: A bill for an act relating to labor; regulating employment of children; establishing a child labor curfew; providing penalties; amending Minnesota Statutes 1992, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

CALL OF THE SENATE

Mr. Price imposed a call of the Senate for the balance of the proceedings on S.F. No. 53. The Sergeant at Arms was instructed to bring in the absent members.

Ms. Olson moved to amend S.F. No. 53 as follows:

Page 1, line 11, delete "unless the student has"

Page 1, delete line 12

Page 1, line 13, delete everything before "on"

Page 1, line 16, after the period, insert "This subdivision does not apply to a high school student who supplies the employer with a note from a parent or guardian of the student authorizing the student to work after 11:00 p.m. on an evening before a school day or before 5:00 a.m. on a school day."

Page 2, line 23, delete from "unless" through page 2, line 26, to "p.m."

Page 2, line 28, after "student" insert "who has supplied the employer with a note from a parent or guardian of the student authorizing the student to work after 11:00 p.m. on an evening before a school day or before 5:00 a.m. on a school day or a student"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Knutson	Neuville	Sams
Benson, D.D.	Finn	Laidig	Oliver	Solon
Benson, J.E.	Hottinger	Langseth	Olson	Stevens
Berg	Janezich	Larson	Pariseau	Stumpf
Bertram	Johnson, D.E.	Lesewski	Pogemiller	Terwilliger
Chmielewski	Johnston	Lessard	Robertson	Vickerman
Day	Kiscaden	McGowan	Runbeck	Wiener

Those who voted in the negative were:

Adkins	Cohen	Kroening	Mondale	Price
Anderson	Flynn	Luther	Morse	Ranum
Beckman	Johnson, D.J.	Marty	Murphy	Reichgott
Berglin	Johnson, J.B.	Merriam	Novak	Spear
Betzold	Kelly	Metzen	Pappas	
Chandler	Krentz	Moe, R.D.	Piper	

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 53 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1992, section 128C.02, is amended by adding a subdivision to read:

Subd. 7. [RULES FOR STUDENT ACTIVITIES.] The league shall adopt rules ensuring that student participation in league events are consistent with the standards applied to other students under section 181A.04, subdivision 6."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Flynn	Lesewski	Moe, R.D.	Pariseau
Benson, J.E.	Hanson	Luther	Neuvill	Robertson
Berglin	Johnston	Marty	Oliver	Runbeck
Betzold	Kelly	McGowan	Olson	Spear
Dille	Kiscaden	Merriam	Pappas	Stevens

Those who voted in the negative were:

Adkins	Day	Krentz	Novak	Stumpf
Anderson	Finn	Kroening	Piper	Terwilliger
Beckman	Hottinger	Laidig	Pogemiller	Vickerman
Belanger	Janezich	Lessard	Price	Wiener
Bertram	Johnson, D.E.	Metzen	Rantum	
Chandler	Johnson, D.J.	Mondale	Reichgott	
Chmielewski	Johnson, J.B.	Morse	Sams	
Cohen	Knutson	Murphy	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Merriam moved to amend S.F. No. 53 as follows:

Page 1, line 19, delete everything after "education"

Page 1, line 20, delete everything before "or"

Page 2, line 30, delete everything after "education"

Page 2, line 31, delete everything before "or"

The motion prevailed. So the amendment was adopted.

S.F. No. 53 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Morse	Rantum
Beckman	Hanson	Lessard	Murphy	Reichgott
Belanger	Hottinger	Luther	Neuvill	Solon
Berglin	Johnson, D.J.	Marty	Novak	Spear
Betzold	Johnson, J.B.	Merriam	Pappas	Stumpf
Chandler	Kelly	Metzen	Piper	Wiener
Cohen	Krentz	Mondale	Price	

Those who voted in the negative were:

Adkins	Day	Kiscaden	McGowan	Robertson
Benson, D.D.	Dille	Knutson	Moe, R.D.	Runbeck
Benson, J.E.	Finn	Laidig	Oliver	Sams
Berg	Janezich	Langseth	Olson	Stevens
Bertram	Johnson, D.E.	Larson	Pariseau	Terwilliger
Chmielewski	Johnston	Lesewski	Pogemiller	Vickerman

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 869 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 869: A bill for an act relating to natural resources; providing for the prevention and suppression of wildfires; providing penalties; amending Minnesota Statutes 1992, sections 88.01, subdivisions 2, 6, 8, 15, 23, and by adding subdivisions; 88.02; 88.03; 88.04; 88.041; 88.05; 88.06; 88.065; 88.067; 88.08; 88.09, subdivision 2; 88.10; 88.11, subdivision 2; 88.12; 88.14; 88.15; 88.16; 88.17, subdivision 1, and by adding a subdivision; 88.18; and 88.22; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 1992, sections 88.17, subdivision 2; and 88.19; and Laws 1992, chapter 556, sections 10 and 11.

Mr. Chmielewski moved to amend S.F. No. 869 as follows:

Page 18, line 14, before "A" insert "(a)"

Page 18, line 17, after "under" insert "paragraph (b) or"

Page 18, after line 18, insert:

"(b) A county may allow a resident to conduct open burning of material described in paragraph (a) that is generated from the resident's household if the county board by resolution determines that regularly scheduled pickup of the material is not reasonably available to the resident."

The motion prevailed. So the amendment was adopted.

S.F. No. 869 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kiscaden	Metzen	Pariseau
Beckman	Finn	Knutson	Moe, R.D.	Pogemiller
Belanger	Flynn	Kroening	Mondale	Reichgott
Benson, D.D.	Hanson	Laidig	Morse	Robertson
Benson, J.E.	Hottinger	Langseth	Murphy	Runbeck
Berg	Janezich	Larson	Neuville	Sams
Bertram	Johnson, D.E.	Lesewski	Novak	Stevens
Chmielewski	Johnson, D.J.	Lessard	Oliver	Stumpf
Cohen	Johnston	Luther	Olson	Terwilliger
Day	Kelly	McGowan	Pappas	Vickerman

Those who voted in the negative were:

Anderson	Betzold	Johnson, J.B.	Marty	Ranum
Berglin	Chandler	Krentz	Merriam	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 139 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 139: A bill for an act relating to the town of Santiago; authorizing the establishment of a detached banking facility.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Metzen	Robertson
Anderson	Dille	Krentz	Moe, R.D.	Runbeck
Beckman	Finn	Kroening	Mondale	Sams
Belanger	Flynn	Laidig	Morse	Samuelson
Benson, D.D.	Hanson	Langseth	Murphy	Solon
Benson, J.E.	Hottinger	Larson	Neuville	Spears
Berg	Johnson, D.E.	Lesevski	Oliver	Stevens
Berglin	Johnson, D.J.	Lessard	Olson	Stumpf
Bertram	Johnson, J.B.	Luther	Pappas	Terwilliger
Betzold	Johnston	Marty	Pariseau	Vickerman
Chandler	Kelly	McGowan	Pogemiller	Wiener
Chmielewski	Kiscaden	Merriam	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 43 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 43: A bill for an act relating to transportation; allocating funding for town bridges replaced by culverts when replacement does not exceed \$20,000; amending Minnesota Statutes 1992, section 161.082, subdivision 2a.

Mr. Vickerman moved to amend H.F. No. 43, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 773.)

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1992, section 160.80, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER MAY ESTABLISH PROGRAM.] (a) The commissioner of transportation may establish a sign franchise program for the purpose of providing on the right-of-way of interstate and controlled-access trunk highways specific information on gas, food, camping, and lodging, for the benefit of the motoring public.

(b) *The sign franchise program must include urban interstate highways. The commissioner may implement policies that apply only to signs on interstate highways in urban areas, such as distance requirements from the interstate for eligible services, priority issues, and mixing of service logos.*”

Page 1, line 7, delete “Section 1” and insert “Sec. 2”

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “regulating the sign franchise program;”

Page 1, line 5, delete “section” and insert “sections 160.80, subdivision 1; and”

The motion prevailed. So the amendment was adopted.

H.F. No. 43 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Murphy	Sams
Anderson	Finn	Laidig	Neuville	Samuelson
Beckman	Flynn	Langseth	Novak	Solon
Belanger	Hanson	Larson	Olson	Spear
Benson, J.E.	Hottinger	Lesewski	Pappas	Stevens
Berg	Johnson, D.E.	Lessard	Pariseau	Stumpf
Berglin	Johnson, D.J.	Luther	Piper	Terwilliger
Bertram	Johnson, J.B.	Marty	Pogemiller	Vickerman
Betzold	Johnston	McGowan	Price	Wiener
Chandler	Kelly	Moe, R.D.	Ranum	
Chmielewski	Knutson	Mondale	Reichgott	
Day	Krentz	Morse	Robertson	

Mr. Merriam voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 131 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 131: A bill for an act relating to motor carriers; restricting authority of regular route common carriers of passengers to depart from their authorized routes; amending Minnesota Statutes 1992, section 221.051.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Oliver	Samuelson
Anderson	Flynn	Laidig	Olson	Solon
Beckman	Hanson	Langseth	Pappas	Stevens
Belanger	Hottinger	Larson	Pariseau	Stumpf
Benson, D.D.	Janezich	Lesewski	Piper	Terwilliger
Benson, J.E.	Johnson, D.J.	Lessard	Pogemiller	Vickerman
Berglin	Johnston	Metzen	Reichgott	Wiener
Bertram	Kiscaden	Moe, R.D.	Robertson	
Day	Knutson	Murphy	Runbeck	
Dille	Krentz	Neuville	Sams	

Those who voted in the negative were:

Betzold	Johnson, J.B.	Marty	Morse	Ranum
Chandler	Luther	Merriam	Price	Spear

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and

Administration, designated S.F. No. 1367 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1367: A bill for an act relating to the environment; authorizing administrative penalty orders for violations of provisions relating to hazardous chemical reporting requirements; amending Minnesota Statutes 1992, section 299K.10, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Hanson	Kroening	Morse	Runbeck
Anderson	Hottinger	Laidig	Murphy	Samuelson
Belanger	Janezich	Langseth	Novak	Solon
Berglin	Johnson, D.E.	Luther	Pappas	Spear
Betzold	Johnson, D.J.	Marty	Pogemiller	Wiener
Chandler	Johnson, J.B.	Merriam	Price	
Cohen	Johnston	Metzen	Ranum	
Finn	Knutson	Moe, R.D.	Reichgott	
Flynn	Krentz	Mondale	Robertson	

Those who voted in the negative were:

Benson, D.D.	Chmielewski	Larson	Olson	Stumpf
Benson, J.E.	Day	Lesewski	Pariseau	Terwilliger
Berg	Dille	Neuville	Sams	Vickerman
Bertram	Kiscaden	Oliver	Stevens	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 693 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 693: A bill for an act relating to natural resources; clarifying, modifying, and expanding rulemaking authority and other powers and duties of the commissioner of natural resources relating to game and fish, wild rice, stromatolites, and cross-country ski passes; clarifying, modifying, and expanding provisions relating to the taking, purchase, sale, possession, and transportation of wild animals; regulating entry and uses on certain public lands and waters; providing for the expiration of certain commissioner's orders; providing an exemption from rulemaking requirements; authorizing emergency rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 84.14, subdivision 3; 84.1525, subdivision 2; 85.41, subdivision 2; 85.45; 97A.045, subdivision 4, and by adding a subdivision; 97A.055, by adding a subdivision; 97A.091, subdivisions 1 and 2; 97A.095, subdivision 2; 97A.105, subdivision 1, and by adding a subdivision; 97A.137; 97A.255, subdivision 2; 97A.401, subdivision 4; 97A.415, subdivision 2; 97A.431, subdivisions 1 and 4; 97A.433, subdivisions 1 and 4; 97A.435, subdivision 4; 97A.441, by adding a subdivision; 97A.475, by adding a subdivision; 97A.485, subdivision 6, and by adding a subdivision; 97A.505, subdivision 5, and by adding a subdivision; 97A.535,

subdivision 2; 97A.545, subdivisions 1, 2, 4, and by adding a subdivision; 97A.551, by adding a subdivision; 97B.425; 97B.671, subdivisions 1 and 2; 97B.711, subdivision 2, and by adding a subdivision; 97B.721; 97B.811, by adding a subdivision; 97C.025; 97C.051, subdivision 1; 97C.081, subdivisions 2, 3, and by adding a subdivision; 97C.205; 97C.311; 97C.331; 97C.345, subdivision 4, and by adding a subdivision; 97C.391, subdivision 1; 97C.405; 97C.505, subdivision 1; 97C.601, subdivision 6; 97C.805, subdivisions 1, 2, and 4; and 97C.865; Laws 1991, chapter 259, section 24; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; and 97C.

Mr. Merriam moved to amend S.F. No. 693 as follows:

Page 23, line 27, delete "..., pages ... to ..." and insert "17, pages 2550 to 2688"

The motion prevailed. So the amendment was adopted.

S.F. No. 693 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Mondale	Runbeck
Anderson	Day	Krentz	Morse	Sams
Beckman	Difle	Laidig	Murphy	Samuelson
Belanger	Finn	Langseth	Neuville	Solon
Benson, D.D.	Flynn	Larson	Novak	Spear
Benson, J.E.	Hanson	Lesewski	Oliver	Stevens
Berg	Hottinger	Luther	Olson	Stumpf
Berglin	Janezich	Marty	Pappas	Terwilliger
Bertram	Johnson, D.E.	McGowan	Pariseau	Vickerman
Betzold	Johnson, D.J.	Merriam	Pogemiller	Wiener
Chandler	Johnston	Metzen	Reichgott	
Chmielewski	Kelly	Moe, R.D.	Robertson	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1081 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1081: A bill for an act relating to the metropolitan council; redrawing the boundaries of council districts; amending Minnesota Statutes 1992, sections 473.123, subdivision 3a, and by adding a subdivision; 473.141, subdivisions 2 and 4a; 473.373, subdivision 4a; 473.604, subdivision 1; and 473.703, subdivisions 1 and 2; repealing Minnesota Statutes 1992, section 473.123, subdivision 3b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Laidig	Murphy	Sams
Anderson	Flynn	Langseth	Novak	Solon
Beckman	Hanson	Larson	Olson	Spear
Benson, D.D.	Hottinger	Lesewski	Pappas	Stevens
Berg	Janezich	Luther	Pariseau	Stumpf
Berglin	Johnson, D.E.	Marty	Piper	Terwilliger
Bertram	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Betzold	Johnson, J.B.	Merriam	Price	Wiener
Chandler	Kelly	Metzen	Ranum	
Cohen	Knutson	Moe, R.D.	Reichgott	
Day	Krentz	Mondale	Robertson	
Dille	Kroening	Morse	Runbeck	

Those who voted in the negative were:

Belanger	Benson, J.E.	Johnston	Neuville	Oliver
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So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1228 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1228: A bill for an act relating to retirement; public employees retirement association and Minneapolis employees retirement fund; providing for the retention of pension coverage for certain transferred employees.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Murphy	Runbeck
Anderson	Finn	Laidig	Neuville	Sams
Beckman	Flynn	Langseth	Novak	Samuelson
Belanger	Hanson	Larson	Oliver	Solon
Benson, D.D.	Hottinger	Lesewski	Olson	Spear
Benson, J.E.	Janezich	Luther	Pappas	Stevens
Berg	Johnson, D.E.	Marty	Pariseau	Stumpf
Berglin	Johnson, D.J.	McGowan	Piper	Terwilliger
Bertram	Johnson, J.B.	Merriam	Pogemiller	Vickerman
Betzold	Johnston	Metzen	Price	Wiener
Chandler	Kelly	Moe, R.D.	Ranum	
Cohen	Knutson	Mondale	Reichgott	
Day	Krentz	Morse	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 785 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 785: A bill for an act relating to retirement; survivor benefits payable by the Minneapolis police relief association; amending Minnesota Statutes 1992, section 353B.11, subdivisions 4 and 5; and Laws 1992, chapters 454, section 3; and 471, article 1, section 10, subdivision 1; repealing Laws 1992, chapter 454, section 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Robertson
Anderson	Dille	Kroening	Murphy	Runbeck
Beckman	Finn	Laidig	Neuville	Sams
Belanger	Flynn	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Luther	Pappas	Stevens
Berglin	Johnson, D.E.	Marty	Pariseau	Terwilliger
Bertram	Johnson, D.J.	McGowan	Piper	Vickerman
Betzold	Johnson, J.B.	Merriam	Pogemiller	Wiener
Chandler	Johnston	Metzen	Price	
Chmielewski	Kelly	Moe, R.D.	Ranum	
Cohen	Knutson	Mondale	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 807 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 807: A bill for an act relating to retirement; the Minneapolis fire department relief association; setting service pension rates; amending Minnesota Statutes 1992, section 352B.07, subdivision 3; repealing Laws 1971, chapter 542.

Mr. Pogemiller moved to amend H.F. No. 807 as follows:

Page 2, delete section 2

Page 2, line 18, delete "Sections" and insert "Section" and delete "and 2 are" and insert "is"

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 807 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Moe, R.D.	Price
Anderson	Finn	Krentz	Mondale	Ranum
Beckman	Flynn	Kroening	Morse	Reichgott
Belanger	Hanson	Laidig	Murphy	Robertson
Benson, D.D.	Hottinger	Langseth	Neuville	Runbeck
Benson, J.E.	Janezich	Larson	Novak	Sams
Berglin	Johnson, D.E.	Lesewski	Oliver	Solon
Bertram	Johnson, D.J.	Luther	Olson	Spear
Betzold	Johnson, J.B.	Marty	Pappas	Stevens
Chandler	Johnston	McGowan	Pariseau	Stumpf
Cohen	Kelly	Merriam	Piper	Terwilliger
Day	Kiscaden	Metzen	Pogemiller	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1187 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1187: A bill for an act relating to health care; clarifying the uniform anatomical gift act; retroactively defining organ donation as the rendition of a service; amending Minnesota Statutes 1992, section 525.9221.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Hanson	Langseth	Novak	Samuelson
Benson, D.D.	Hottinger	Larson	Oliver	Solon
Benson, J.E.	Janezich	Lesewski	Olson	Spear
Berglin	Johnson, D.E.	Luther	Pappas	Stevens
Bertram	Johnson, D.J.	Marty	Pariseau	Stumpf
Betzold	Johnson, J.B.	McGowan	Piper	Terwilliger
Chandler	Johnston	Merriam	Pogemiller	Vickerman
Chmielewski	Kelly	Metzen	Price	Wiener
Cohen	Kiscaden	Moe, R.D.	Ranum	
Day	Knutson	Mondale	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 270 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 270: A bill for an act relating to the city of St. Paul; authorizing payment of refunds to the estates of certain deceased firefighters.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Hanson	Langseth	Novak	Samuelson
Benson, D.D.	Hottinger	Larson	Oliver	Solon
Benson, J.E.	Janezich	Lesewski	Olson	Spear
Berglin	Johnson, D.E.	Luther	Pappas	Stevens
Bertram	Johnson, D.J.	Marty	Pariseau	Stumpf
Betzold	Johnson, J.B.	McGowan	Piper	Terwilliger
Chandler	Johnston	Merriam	Pogemiller	Vickerman
Chmielewski	Kelly	Metzen	Price	Wiener
Cohen	Kiscaden	Moe, R.D.	Ranum	
Day	Knutson	Mondale	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 385 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 385: A bill for an act relating to agriculture; providing a time limit for certain actions related to right of first refusal; amending Minnesota Statutes 1992, section 500.24, by adding a subdivision.

Mr. Morse moved to amend H.F. No. 385, as amended pursuant to Rule 49, adopted by the Senate March 31, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 346.)

Page 3, line 6, delete "CLAIM" and insert "ACTION" and after "DAMAGES" insert ", EXCEPT FOR DAMAGES FOR FRAUD,"

Page 3, line 7, delete "TWO" and insert "THREE"

Page 3, line 34, delete "claim" and insert "action" and after "damages" insert ", except for damages for fraud,"

Page 4, line 2, delete "two" and insert "three"

The motion prevailed. So the amendment was adopted.

H.F. No. 385 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Runbeck
Anderson	Dille	Krentz	Morse	Sams
Beckman	Finn	Kroening	Murphy	Samuelson
Belanger	Flynn	Laidig	Neuville	Solon
Benson, D.D.	Hanson	Langseth	Novak	Spear
Benson, J.E.	Hottinger	Larson	Oliver	Stevens
Berg	Janezich	Lesewski	Olson	Stumpf
Berglin	Johnson, D.E.	Luther	Pappas	Terwilliger
Bertram	Johnson, D.J.	Marty	Pariseau	Vickerman
Betzold	Johnson, J.B.	McGowan	Piper	Wiener
Chandler	Johnston	Merriam	Price	
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Robertson	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1442 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1442: A bill for an act relating to the city of Columbia Heights; exclusions from salary in computing police relief association retirement

benefits; permitting a contribution with interest by a member for past service with the city; amending Laws 1977, chapter 374, section 8, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Reichgott
Anderson	Dille	Krentz	Morse	Robertson
Beckman	Finn	Kroening	Murphy	Runbeck
Belanger	Flynn	Laidig	Neuville	Sams
Benson, D.D.	Hanson	Langseth	Novak	Samuelson
Benson, J.E.	Hottinger	Larson	Oliver	Solon
Berg	Janezich	Lesewski	Olson	Spear
Berglin	Johnson, D.E.	Luther	Pappas	Stevens
Bertram	Johnson, D.J.	Marty	Pariseau	Stumpf
Betzold	Johnson, J.B.	McGowan	Piper	Terwilliger
Chandler	Johnston	Merriam	Pogemiller	Vickerman
Chmielewski	Kelly	Metzen	Price	Wiener
Cohen	Kiscaden	Moe, R.D.	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 968 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 968: A bill for an act relating to human services; changing the distribution scheme for money appropriated for the foodshelf program; amending Minnesota Statutes 1992, section 268.55.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Ranum
Anderson	Dille	Krentz	Morse	Reichgott
Beckman	Finn	Kroening	Murphy	Robertson
Belanger	Flynn	Laidig	Neuville	Runbeck
Benson, D.D.	Hanson	Langseth	Novak	Sams
Benson, J.E.	Hottinger	Larson	Oliver	Samuelson
Berg	Janezich	Lesewski	Olson	Solon
Berglin	Johnson, D.E.	Luther	Pappas	Spear
Bertram	Johnson, D.J.	Marty	Pariseau	Stevens
Betzold	Johnson, J.B.	McGowan	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Chmielewski	Kelly	Metzen	Price	Vickerman
Cohen	Kiscaden	Moe, R.D.		Wiener

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 913, 561, 699, 754, 840, 1006, 1602, 240 and 1466.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

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. 1201: A bill for an act relating to health occupations and professions; board of psychology; extending deadline by which previously qualified persons may file a declaration of intent to seek licensure as a licensed psychologist without further examination; requiring the board to issue notices of extension; modifying reciprocity licensing requirement; providing for disciplinary actions; consolidating and modifying enforcement remedies; providing penalties; amending Minnesota Statutes 1992, sections 103I.345, subdivision 1; 116.75; 116.76, subdivision 1; 116.77; 116.82, subdivision 3; 144.71, subdivision 1; 145A.07, subdivision 1; 148.89, by adding a subdivision; 148.905, subdivision 1; 148.921, subdivisions 2 and 3; 148.925, subdivision 1; 148.98; 326.37, subdivision 1; 327.16, subdivision 6; and 327.20, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; and 148; repealing Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 148.95; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2.

Senate File No. 1201 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

Mr. Finn moved that the Senate do not concur in the amendments by the House to S.F. No. 1201, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. 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. 980, 608, 874, 238 and 1164.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated:

H.F. No. 980: A bill for an act relating to local government; enabling local government units to obtain waivers of state rules; providing grants to local government units to encourage cooperation, achieve specified outcomes, and design service budget management models; creating a board of local government innovation and cooperation; requiring the metropolitan council to review certain applications and plans; appropriating money; amending Minnesota Statutes 1992, sections 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; and 465.87, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 734, now on General Orders.

H.F. No. 608: A bill for an act relating to agriculture; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; proposing coding for new law in Minnesota Statutes, chapter 18.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 708, now on General Orders.

H.F. No. 874: A bill for an act relating to traffic regulations; authorizing cities of the second class to establish programs for citizen enforcement of laws governing parking spaces for persons with disabilities; amending Minnesota Statutes 1992, section 169.346, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 837, now on General Orders.

H.F. No. 238: A bill for an act relating to towns; providing that metropolitan town elections may take place on the general election day; amending Minnesota Statutes 1992, sections 365.51, subdivision 1, and by adding a subdivision; and 365.59.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 421, now on General Orders.

H.F. No. 1164: A bill for an act relating to water law; making miscellaneous technical corrections to water law; amending Minnesota Statutes 1992, sections 103F.215, subdivision 1; 103F.221, subdivision 1; 103G.005, subdivisions 14, 15, and 18; 103G.105; 103G.111, subdivision 1; 103G.121, subdivision 1; 103G.135; 103G.261; 103G.271, subdivision 2; 103G.275, subdivision 1; 103G.295, subdivision 4; 103G.315, subdivisions 12 and 15; and 103G.611, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

Mr. Merriam requested that the report on S.F. No. 771 be divided out.

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. 771. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 771. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1749: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing state bonding; appropriating money; amending Minnesota Statutes, section 16B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124C; and 137.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS

The sums in the column under “APPROPRIATIONS” are appropriated from the bond proceeds fund, or other named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

TECHNICAL COLLEGES	1,000,000
COMMUNITY COLLEGES	1,700,000
STATE UNIVERSITIES	1,695,000
UNIVERSITY OF MINNESOTA	2,000,000
EDUCATION	13,967,000
HUMAN SERVICES	17,500,000
CORRECTIONS	26,012,000
ADMINISTRATION	11,681,000
PUBLIC FACILITIES AUTHORITY	4,000,000
POLLUTION CONTROL AGENCY	13,700,000
NATURAL RESOURCES	190,000
BOARD OF WATER AND SOIL RESOURCES	2,000,000
TRANSPORTATION	25,982,000
BOND SALE EXPENSES	118,000
TOTAL	\$121,545,000
Bond Proceeds Fund	81,190,000
Transportation Fund	23,292,000
Maximum Effort School Loan Fund	13,967,000

General Fund	96,000
Trunk Highway Fund	3,000,000

APPROPRIATIONS

\$

Sec. 2. TECHNICAL COLLEGES

Subdivision 1. Capital Asset Preservation and Repair	1,000,000
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This appropriation is to the state board of technical colleges for health and life safety code compliance, roofs, parking lots, hazardous material abatement, electrical, mechanical, and other physical plant repairs and betterments.

Subd. 2. Red Wing Technical College

Up to \$500,000 of proceeds from the sale of the Towerview campus is appropriated to the state board of technical colleges to remodel and improve the Red Wing campus.

Sec. 3. COMMUNITY COLLEGES

Subdivision 1. To the state board for community colleges for the purposes specified in this section	1,700,000
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Subd. 2. Capital Asset Preservation and Repair	1,000,000
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This appropriation is for health and life safety code compliance, roofs, parking lots, hazardous material abatement, electrical, mechanical, and other physical plant repairs and betterments.

Subd. 3. University Center at Rochester - Capital Equipment	700,000
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Sec. 4. STATE UNIVERSITIES

Subdivision 1. To the state university board for the purposes specified in this section	1,695,000
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Subd. 2. Capital Asset Preservation and Repair	1,000,000
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This appropriation is for health and life safety code compliance, roofs, parking lots, hazardous material abatement, electrical, mechanical, and other physical plant repairs and betterments.

Subd. 3. Land Acquisition

695,000

To acquire land for the campuses of Metropolitan state university, Moorhead state university, and St. Cloud state university. The land acquisition at Metropolitan state university must be completed by October 1, 1993.

Sec. 5. UNIVERSITY OF MINNESOTA

Subdivision 1. To the regents of the University of Minnesota for the purposes specified in this section

2,000,000

Subd. 2. Capital Asset Preservation and Repair

2,000,000

This appropriation is for health and life safety code compliance, roofs, parking lots, hazardous material abatement, electrical, mechanical, and other physical plant repairs and betterments.

Subd. 3. Sale of Waseca Campus

The regents of the University of Minnesota may sell all or part of the land, buildings, and improvements at the Waseca campus to the city of Waseca or other political subdivision in which the campus is located for use for a public purpose, provided that the sale is subject to the terms and conditions that the commissioner of finance imposes to ensure that the transfer of the property will not affect the validity of or cause the interest on state general obligation bonds issued to finance improvements at the campus to become taxable under the federal tax code.

Sec. 6. EDUCATION

Subdivision 1. To the commissioner of education for the purposes specified in this section

13,967,000

Subd. 2. Maximum Effort School Loans

7,967,000

To the commissioner of education from the maximum effort school loan fund to make capital loans to school districts as provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plan and budget of the project and may reduce the amount of the loan to

ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

\$7,967,000 is approved for a capital loan to independent school district No. 707, Nett Lake.

Subd. 3. School District Construction
Grant – Grant County

6,000,000

This appropriation is from the bond proceeds fund for a cooperative secondary facilities grant under Minnesota Statutes, sections 124.491 to 124.494. Notwithstanding those sections, the commissioner of education shall award the grant to the group of districts that make up the Grant county project, consisting of independent school district Nos. 209, Kensington; 262, Barrett; 263, Elbow Lake-Wendell; and 265, Hoffman. The group of districts must enter into a joint powers agreement and must comply with Minnesota Statutes, section 124.494, subdivisions 5 and 6.

Sec. 7. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for purposes specified in this section

17,500,000

Subd. 2. St. Peter Regional Treatment Center

7,500,000

To plan, design, equip, and construct a 50-bed addition on the Minnesota security hospital for mentally ill and dangerous clients.

Subd. 3. Moose Lake Regional Treatment Center

7,250,000

To plan, design, equip, and construct a new supervised living facility for 100 psychopathic personality clients adjacent to the Moose Lake regional treatment center.

The total cost for this project shall not exceed \$20,050,000. This appropriation shall be added to the appropriation under Laws of 1992, chapter 558, section 8, subdivision 6.

In accordance with Minnesota Statutes, section 15.16, the commissioners of human services and natural resources shall develop a recommendation by July 15, 1993, for transferring custodial control of state land necessary to properly site the new psychopathic personality facility at Moose Lake.

Subd. 4. Brainerd Regional Human Services Center

2,500,000

To plan, design, equip, and remodel the Brainerd regional human services center to accommodate 70 mentally ill patients to be transferred from the Moose Lake regional treatment center.

Subd. 5. Cambridge Regional Human Services Center

250,000

To remodel Boswell Hall so that services for clients at the Cambridge center can be consolidated and moved from older buildings, and to bring Boswell Hall into compliance with life safety building codes and program licensure standards.

This appropriation must not be used to prepare space for or to move clients from another regional treatment center to the Cambridge center.

Sec. 8. CORRECTIONS

Subdivision 1. To the commissioner of administration for purposes specified in this section

26,012,000

Subd. 2. Minnesota Correctional Facility at Willow River/Moose Lake

25,800,000

This appropriation is to the commissioner of administration to convert the Moose Lake regional treatment center to a medium security prison housing up to 620 inmates, to meet safety codes, and to construct a gym and industry building.

Subd. 3. Minnesota Correctional Facility - Red Wing

212,000

To plan to replace Dayton Cottage with a 30-bed residential facility for the secure detention of violent and predatory juvenile offenders until they are able to control their behavior in an open campus

environment. The total cost of the project must not exceed \$3,020,000.

Sec. 10. ADMINISTRATION

Subdivision 1. To the commissioner of administration for purposes specified in this section

11,681,000

Subd. 2. Judicial Center – Phase IIb

7,000,000

To complete the renovation of the old historical society building to meet the facility and program needs of the new judicial center.

Subd. 3. Transportation Building

3,000,000

This appropriation is from the trunk highway fund for partial renovation of the transportation building. Authorized expenditures include renovation of the seventh and eighth floors, purchase and installation of basic mechanical and electrical equipment for all floors, and removal of hazardous waste materials. Of this appropriation, \$80,000 is for relocation within the transportation building.

Subd. 4. Agency Relocation

96,000

This appropriation is from the general fund for relocation of the department of public safety, except the division of driver and vehicle services, from the transportation building.

Subd. 5. Sewer Separation

1,300,000

To separate the sanitary and storm sewers in the capitol area under state jurisdiction in conjunction with the combined sewer overflow program established by the 1985 legislature.

Subd. 6. Arden Hills State Facilities

285,000

To provide funding for new water, sewer, and fire safety service for the surplus property facility and public safety training center in Arden Hills.

Sec. 11. PUBLIC FACILITIES AUTHORITY

4,000,000

To the public facilities authority for the state match to federal grants to capitalize the state water pollution control revolving fund under Minnesota Statutes, section 446A.07.

Sec. 12. POLLUTION CONTROL
AGENCY

13,700,000

To the commissioner of the pollution control agency for the state share of combined sewer overflow grants under Minnesota Statutes, section 116.162 for projects begun during fiscal years 1993 or 1994.

The city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Sec. 13. NATURAL RESOURCES

Subdivision 1. To the commissioner of natural resources for the purposes specified in this section

190,000

Subd. 2. Dam Repair and Replacement

100,000

To the commissioner of natural resources for the emergency repair of the publicly-owned Stewartville dam under Minnesota Statutes, section 103G.511.

Subd. 3. Wildlife Management Areas

90,000

To the commissioner of natural resources to complete the acquisition of Byrne lake in Swift county so that it may be established as a wildlife management area.

Sec. 14. BOARD OF WATER AND
SOIL RESOURCES

2,000,000

To the board of water and soil resources for the reinvest in Minnesota conservation reserve program under Minnesota Statutes, section 103F.515.

Sec. 15. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

25,982,000

Subd. 2. Bloomington Ferry Bridge

20,292,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to the commissioner of transportation to match federal funds to complete the Bloomington ferry bridge.

Subd. 3. Local Bridge Replacement and Rehabilitation

3,000,000

This appropriation is from the state transportation fund.

The commissioner of transportation shall make grants to political subdivisions for the construction and reconstruction of key bridges on highways and streets under their jurisdiction.

The grants may be used by a political subdivision to construct and reconstruct key bridges under their jurisdiction; match federal aid grants for construction and reconstruction of the bridges; pay the costs of preliminary engineering and environmental studies for the bridges; pay the costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement is made; and pay the cost of constructing a road or street that would facilitate the abandonment of an existing deficient bridge. The construction of the road or street must be judged by the commissioner to be more economical than the reconstruction or replacement of the existing bridge.

Subd. 4. Replace State Airplane

2,690,000

Debt service on the bonds sold to finance this appropriation must be paid out of the state airports fund in the manner provided in Minnesota Statutes, section 16A.643, and the amount needed is appropriated from the state airports fund.

Sec. 16. BOND SALE EXPENSES

118,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 17. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1995, no more than \$457,455,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of

finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold, the commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 18. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$81,190,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$23,292,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$13,967,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 19. [CANCELLATIONS AND REDUCTIONS.]

The unencumbered balance remaining at the end of fiscal year 1993 in the appropriation in Laws 1992, chapter 558, section 8, subdivision 2, is canceled. The bond authorization in Laws 1992, chapter 558, section 28, subdivision 1, is reduced by \$7,570,000.

Sec. 20. [PROJECT CANCELLATIONS.]

The commissioner of finance, after consultation with the commissioner of administration and affected agencies, shall cancel appropriations for capital improvement projects that have been completed or abandoned and shall recommend to the legislature for action at the 1994 session the cancellation of any excess bond authorizations for projects that have been completed or abandoned.

Sec. 21. [PROJECT REVISION.]

With the mutual consent of the commissioner of trade and economic development, the seaway port authority of Duluth, the U.S. Army Corps of Engineers, and any private parties who have pledged private investment to match the \$6,100,000 appropriated in Laws 1989, chapter 300, article 1, section 19, item (a), to dredge the upper harbor area of Duluth harbor, the commissioner of finance shall reduce the appropriation to \$2,000,000. The appropriation is available to the extent it is matched, dollar for dollar, by federal money. No private match is required. The bond sale authorization in Laws 1989, chapter 300, article 1, section 23, subdivision 1, is reduced by \$4,100,000.

Sec. 22. Laws 1990, chapter 610, article 1, section 12, subdivision 4, is amended to read:

Subd. 4. State-operated
community-based residences 1,000,000

This appropriation is to plan, and design, and to renovate or, construct, lease, or purchase two 15-bed state-operated community-based residences for people with mental illness. Each facility must be located in conformance with deconcentration requirements. ~~One facility must be located in the Twin Cities metropolitan area, must have no more than 16 beds, and must serve adults. One facility must be located outside the Twin Cities metropolitan area, must have 10 beds, and must serve adolescents.~~ Before beginning construction, the commissioner shall consult with the chairs of the Health and Human Services Finance Division of the House Appropriations Committee of Representatives and the Health Care and Human Family Services Division of the Senate Finance Committee.

Sec. 23. [EFFECTIVE DATE.]

This act is effective the day after its final enactment.

Delete the title and insert:

“A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds and canceling previous authorizations; appropriating money, with certain conditions and reducing certain appropriations; amending Laws 1990, chapter 610, article 1, section 12, subdivision 4.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 994: A bill for an act relating to children; foster care and adoption placement; specifying time limits for compliance with placement preferences; setting standards for changing out-of-home placement; requiring notice of certain adoptions; clarifying certain language; requiring compliance with certain law; amending Minnesota Statutes 1992, sections 257.071, subdivisions 1 and 1a; 257.072, subdivision 7; 259.255; 259.28, subdivision 2, and by adding a subdivision; 259.455; 260.012; 260.181, subdivision 3; and 260.191, subdivisions 1a, 1d, and 1e; proposing coding for new law in Minnesota Statutes, chapters 257; and 259.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [257.0651] [COMPLIANCE WITH INDIAN CHILD WELFARE ACT.]

Sections 257.03 to 257.075 must be construed consistently with the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963.

Sec. 2. Minnesota Statutes 1992, section 257.071, is amended by adding a subdivision to read:

Subd. 1b. [LIMIT ON MULTIPLE PLACEMENTS.] If a child has been placed out of the home of the parent or parents pursuant to a court order under section 260.191, the social service agency responsible for the residential facility placement for the child may not change the child's foster care placement more than one time unless the agency specifically documents that the current placement is unsuitable or another placement is in the best interests of the child. This subdivision does not apply if the new placement is in an adoptive home or other permanent placement.

Sec. 3. Minnesota Statutes 1992, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of subdivisions 3 and 4, if the child has been placed in a residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within ~~42~~ six months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, ~~subdivision 1a, to determine if the placement is in the best interests of the child.~~

The case plan must be updated when a petition is filed and must include a specific plan for permanency.

Sec. 4. Minnesota Statutes 1992, section 257.071, is amended by adding a subdivision to read:

Subd. 8. [RULES ON REMOVAL OF CHILDREN.] The commissioner shall adopt rules establishing criteria for removal of children from their homes.

Sec. 5. Minnesota Statutes 1992, section 257.072, subdivision 1, is amended to read:

Subdivision 1. [RECRUITMENT OF FOSTER FAMILIES.] Each authorized child placing agency shall make special efforts to recruit a foster family from among the child's relatives, except as authorized in section 260.181, subdivision 3, and among families of the same minority racial or minority ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations *and which may include contracting with these organizations*, utilizing local media and other local resources, conducting outreach activities, and increasing the number of minority recruitment staff employed by the agency. *The requirement of special efforts to recruit a foster family from among the child's relatives is satisfied if the efforts have continued for six months.* The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Sec. 6. Minnesota Statutes 1992, section 257.072, is amended by adding a subdivision to read:

Subd. 9. [RULES.] *The commissioner of human services shall adopt rules to establish standards for conducting relative searches and determining the suitability of proposed relative placements and for recruiting foster and adoptive families of the same racial or ethnic heritage as the child. The standards for relative placements need not impose on relatives all the requirements for foster care licensing but must ensure that the child's health, safety, and welfare are safeguarded.*

Sec. 7. Minnesota Statutes 1992, section 259.28, is amended by adding a subdivision to read:

Subd. 3. [COMPLIANCE WITH INDIAN CHILD WELFARE ACT.] *The provisions of this chapter must be construed consistently with the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963.*

Sec. 8. Minnesota Statutes 1992, section 259.455, is amended to read:

259.455 [FAMILY RECRUITMENT.]

Each authorized child placing agency shall make special efforts to recruit an adoptive family from among the child's relatives, except as authorized in section 259.28, subdivision 2, and among families of the same racial or ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations *and which may include contracting with these organizations*, utilizing local media and other local resources, and conducting outreach activities. *The requirement of special efforts to recruit an adoptive family from among the child's relatives is satisfied if the efforts have continued for six months.* The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Sec. 9. [260.157] [COMPLIANCE WITH INDIAN CHILD WELFARE ACT.]

The provisions of this chapter must be construed consistently with the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963.

Sec. 10. Minnesota Statutes 1992, section 260.191, subdivision 1d, is amended to read:

Subd. 1d. [~~PARENTAL VISITATION.~~] If the court orders that the child be placed outside of the child's home or present residence, it shall set reasonable rules for supervised or unsupervised parental visitation that contribute to the objectives of the court order and the maintenance of the familial relationship. No parent may be denied visitation unless the court finds at the disposition hearing that the visitation would act to prevent the achievement of the order's objectives or that it would endanger the child's physical or emotional well-being. *The court shall set reasonable rules for visitation for any relatives as defined in section 260.181, subdivision 3, if visitation is consistent with the best interests of the child.*

Sec. 11. Minnesota Statutes 1992, section 260.191, subdivision 2, is amended to read:

Subd. 2. [ORDER DURATION.] *Subject to section 260.191, subdivision 3a, all orders under this section shall be for a specified length of time set by the court not to exceed one year. However, before the order has expired and upon its own motion or that of any interested party, the court shall, after notice to the parties and a hearing, renew the order for another year or make some other disposition of the case, until the individual is no longer a minor. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.*

Sec. 12. Minnesota Statutes 1992, section 260.191, is amended by adding a subdivision to read:

Subd. 3a. [COURT REVIEW OF OUT-OF-HOME PLACEMENTS.] *If the court places a child out of the home of the parent or parents pursuant to an order under this section, including a continuance under subdivision 4, the court shall review the out-of-home placement at least every six months to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned to the parent. The court shall review agency efforts pursuant to section 257.072, subdivision 1, and order that the efforts continue if the agency has failed to perform the duties under that section. The court shall review the case plan and may modify the case plan as provided under subdivisions 1e and 2. If the court orders continued out-of-home placement, the court shall notify the parents of the provisions of section 260.191, subdivision 3b.*

Sec. 13. Minnesota Statutes 1992, section 260.191, is amended by adding a subdivision to read:

Subd. 3b. [REVIEW OF COURT ORDERED PLACEMENTS; PERMANENT PLACEMENT DETERMINATION.] *(a) For any child placed outside of the home pursuant to section 260.191, the court shall conduct a hearing to determine the future status of the child not later than 12 months after the order. The court shall determine whether the child is to be returned to the parent or, if not, whether the child should be placed permanently in the following order of priority, consistent with the child's best interests and subject to section 260.181, subdivision 3:*

- (1) with relatives either through an award of legal custody or adoption;*
- (2) with adoptive parent or parents; and*
- (3) long-term foster care.*

(b) The court may extend the time period for determination of permanent placement to 18 months after the order when:

(1) there is a substantial probability that the child will be returned to the home of the parent or parents within the next six months; or

(2) the agency has not made reasonable, or in the case of an Indian child, active efforts to correct the conditions that form the basis of the out-of-home placement. The "best interests of the child" means all relevant factors to be considered and evaluated.

Sec. 14. Minnesota Statutes 1992, section 260.192, is amended to read:

260.192 [DISPOSITIONS; VOLUNTARY FOSTER CARE PLACEMENTS.]

Upon a petition for review of the foster care status of a child, the court may:

(a) Find that the child's needs are being met ~~and~~, that the child's placement in foster care is in the best interests of the child ~~and that the child will be returned to the parent's care in the next six months~~, in which case the court shall approve the voluntary arrangement and continue the matter for six months to assure the child returns to the parent's home. ~~The court shall order the social service agency responsible for the placement to bring a petition pursuant to either section 260.131, subdivision 1 or section 260.131, subdivision 1a, as appropriate, within two years if court review was pursuant to section 257.071, subdivision 3 or 4, or within one year if court review was pursuant to section 257.071, subdivision 2.~~

(b) Find that the child's needs are not being met, in which case the court shall order the social service agency or the parents to take whatever action is necessary and feasible to meet the child's needs, including, when appropriate, the provision by the social service agency of services to the parents which would enable the child to live at home, and shall order an administrative review of the case again within six months and a review by the court within one year.

(c) Find that the child has been abandoned by parents financially or emotionally, or that the developmentally disabled child does not require out-of-home care because of the handicapping condition, in which case the court shall order the social service agency to file an appropriate petition pursuant to sections 260.131, subdivision 1, or 260.231.

Nothing in this section shall be construed to prohibit bringing a petition pursuant to section 260.131, subdivision 1 or 2, sooner than required by court order pursuant to this section.

Sec. 15. Minnesota Statutes 1992, section 260.221, subdivision 1, is amended to read:

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child. Abandonment is presumed when:

(i) the parent has had no contact or merely incidental contact with the child on a regular basis and no demonstrated, consistent interest in the child's well-being for six months in the case of a child under six years of age, or for 12 months in the case of a child ages six to 14; and

(ii) the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518. The court is not prohibited from finding abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that:

(i) the child was adjudicated in need of protection or services due to circumstances described in section 260.015, subdivision 2a, clause (1), (2), (3), (5), or (8); and

(ii) within the three-year period immediately prior to that adjudication, the parent's parental rights to one or more other children were involuntarily terminated under clause (1), (2), (4), or (7) of this paragraph, or under clause (5) of this paragraph if the child was initially determined to be in need of protection or services due to circumstances described in section 260.015, subdivision 2a, clause (1), (2), (3), (5), or (8); or

(5) That following upon a determination of neglect or dependency, or of a child's need for protection or services, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child under the age of 12 has resided out of the parental home under court order for more than one year following an adjudication of dependency, neglect, need for protection or services under section 260.015, subdivision 2a, clause (1), (2), (6), (8), or (9), or neglected and in foster care, and an order for disposition under section 260.191, including adoption of the case plan required by section 257.071;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year after a child has been placed out of the home.

It is also presumed that reasonable efforts have failed under this clause upon a showing that:

(i) the parent has been diagnosed as chemically dependent by a professional certified to make the diagnosis;

(ii) the parent has been required by a case plan to participate in a chemical dependency treatment program;

(iii) the treatment programs offered to the parent were culturally, linguistically, and clinically appropriate;

(iv) the parent has either failed two or more times to successfully complete a treatment program or has refused at two or more separate meetings with a caseworker to participate in a treatment program; and

(v) the parent continues to abuse chemicals.

Provided, that this presumption applies only to parents required by a case plan to participate in a chemical dependency treatment program on or after July 1, 1990; or

(6) That the parent has been convicted of causing the death of another of the parent's children; or

(7) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(8) That the child is neglected and in foster care.

In an action involving an American Indian child, sections 257.35 to 257.3579 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to the extent that the provisions of this section are inconsistent with those laws.

Sec. 16. [REPORT.]

The commissioner of human services shall prepare a report for the legislature which includes a comprehensive plan to ensure compliance by county social services departments with the foster care and adoption

placement statutes and rules. This report shall provide both incentives and sanctions for county compliance and also address the feasibility of providing hearings for families affected by the foster care and adoption rules and statutes in the administrative process. The report is due by February 15, 1994.

Sec. 17. [APPROPRIATION.]

\$135,000 is appropriated from the general fund to the commissioner of human services to implement this act. \$73,000 is for fiscal year 1994 and \$62,000 is for fiscal year 1995."

Delete the title and insert:

"A bill for an act relating to children; providing time periods for permanent dispositions involving children in need of protection or services; limiting multiple foster care placements; defining special efforts for relative searches; establishing standards for a finding of abandonment; appropriating money; amending Minnesota Statutes 1992, sections 257.071, subdivision 3, and by adding subdivisions; 257.072, subdivision 1, and by adding a subdivision; 259.28, by adding a subdivision; 259.455; 260.191, subdivisions 1d, 2, and by adding subdivisions; 260.192; and 260.221, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 257; and 260."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1226: A bill for an act relating to insurance; the comprehensive health association; clarifying the duties of the association and the authority of the commissioner of commerce; increasing the cigarette and tobacco product taxes to defray the cost of claims made under coverages provided by the association; repealing obsolete language; appropriating money; amending Minnesota Statutes 1992, sections 62E.08; 62E.09; 62E.10, subdivision 9; 297.02, subdivision 1; 297.13, by adding a subdivision; and 297.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 62E; repealing Laws 1992, chapter 549, article 9, section 17.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 7 to 10, delete sections 5 to 11

Amend the title as follows:

Page 1, delete lines 5 and 6

Page 1, line 7, delete everything before "repealing"

Page 1, line 8, delete "appropriating money;"

Page 1, line 10, delete from "297.02," through page 1, line 12, to "2;"

Page 1, line 13, delete everything after "62E" and insert a period

Page 1, delete line 14

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 771: A bill for an act relating to motor fuels; changing the formula for payments made to producers of ethanol; increasing oxygenate level requirements for gasoline; authorizing the pollution control agency to contract to expedite permit process; eliminating certain LGA/HACA offsets for tax increment financing districts; amending Minnesota Statutes 1992, sections 239.791, subdivisions 1 and 2; and 273.1399, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, reinstate the stricken language and delete the new language

Page 1, line 23, delete the new language and strike "two" and insert "2.7"

Page 1, line 25, reinstate the stricken "After" and delete "Beginning"

Page 1, line 26, delete the colon

Page 1, delete lines 27 and 28

Page 2, line 1, delete everything before "must" and strike "two" and insert "2.7"

Amend the title as follows:

Page 1, line 2, delete "changing the formula for"

Page 1, line 3, delete everything before "increasing"

Page 1, line 4, delete "authorizing"

Page 1, delete line 5

Page 1, line 6, delete "permit process;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1327: A bill for an act relating to taxation; property; providing for valuation of certain property that is not eligible for open space treatment; amending Minnesota Statutes 1992, section 273.112, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1992, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferral under this section only if it is:

(a) actively and exclusively devoted to golf, skiing, or archery or firearms

range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex or marital status; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

A golf club that has food or beverage facilities or services must allow equal access to those facilities and services for both men and women members in all membership categories at all times. Nothing in this paragraph shall be construed to require service or access to facilities to persons under the age of 21 years or require any act that would violate law or ordinance regarding sale, consumption, or regulation of alcoholic beverages.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident."

Page 1, after line 15, insert:

"Sec. 3. Minnesota Statutes 1992, section 363.03, subdivision 3, is amended to read:

Subd. 3. [PUBLIC ACCOMMODATIONS.] (a) It is an unfair discriminatory practice:

(1) to deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation because of race, color, creed, religion, disability, national origin, *marital status*, or sex, or for a taxicab company to discriminate in the access to, full utilization of, or benefit from service because of a person's disability; or

(2) for a place of public accommodation not to make reasonable accommodation to the known physical, sensory, or mental disability of a disabled person. In determining whether an accommodation is reasonable, the factors to be considered may include:

(i) the frequency and predictability with which members of the public will be served by the accommodation at that location;

(ii) the size of the business or organization at that location with respect to physical size, annual gross revenues, and the number of employees;

(iii) the extent to which disabled persons will be further served from the accommodation;

(iv) the type of operation;

(v) the nature and amount of both direct costs and legitimate indirect costs of making the accommodation and the reasonableness for that location to finance the accommodation; and

(vi) the extent to which any persons may be adversely affected by the accommodation.

State or local building codes control where applicable. Violations of state or local building codes are not violations of this chapter and must be enforced under normal building code procedures.

(b) This paragraph lists general prohibitions against discrimination on the basis of disability. For purposes of this paragraph "individual" or "class of individuals" refers to the clients or customers of the covered public accommodation that enter into the contractual, licensing, or other arrangement.

(1) It is discriminatory to:

(i) subject an individual or class of individuals on the basis of a disability of that individual or class, directly or through contractual, licensing, or other arrangements, to a denial of the opportunity of the individual or class to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations of an entity;

(ii) afford an individual or class of individuals on the basis of the disability of that individual or class, directly or through contractual, licensing, or other arrangements, with the opportunity to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations that are not equal to those afforded to other individuals; and

(iii) provide an individual or class of individuals, on the basis of a disability of that individual or class, directly or through contractual, licensing, or other arrangements, with goods, services, facilities, privileges, advantages, or accommodations that are different or separate from those provided to other individuals, unless the action is necessary to provide the individual or class of

individuals with goods, services, facilities, privileges, advantages, or accommodations, or other opportunities that are as effective as those provided to others.

(2) Goods, services, facilities, privileges, advantages, and accommodations must be afforded to an individual with a disability in the most integrated setting appropriate to the needs of the individual.

(3) Notwithstanding the existence of separate or different programs or activities provided in accordance with this section, the individual with a disability may not be denied the opportunity to participate in the programs or activities that are not separate or different.

(4) An individual or entity may not, directly or through contractual or other arrangements, use standards or criteria and methods of administration:

(i) that have the effect of discriminating on the basis of disability; or

(ii) that perpetuate the discrimination of others who are subject to common administrative control.

(c) This paragraph lists specific prohibitions against discrimination on the basis of disability. For purposes of this paragraph, discrimination includes:

(1) the imposition or application of eligibility criteria that screen out or tend to screen out an individual with a disability or any class of individuals with disabilities from fully and equally enjoying any goods, services, facilities, privileges, advantages, or accommodations, unless the criteria can be shown to be necessary for the provision of the goods, services, facilities, privileges, advantages, or accommodations;

(2) failure to make reasonable modifications in policies, practices, or procedures when the modifications are necessary to afford the goods, services, facilities, privileges, advantages, or accommodations to individuals with disabilities, unless the entity can demonstrate that making the modifications would fundamentally alter the nature of the goods, services, facilities, privileges, advantages, or accommodations;

(3) failure to take all necessary steps to ensure that no individual with a disability is excluded, denied services, segregated, or otherwise treated differently than other individuals because of the absence of auxiliary aids and services, unless the entity can demonstrate that taking the steps would fundamentally alter the nature of the goods, services, facilities, privileges, advantages, or accommodations being offered and would result in an undue burden;

(4) failure to remove architectural barriers, and communication barriers that are structural in nature, in existing facilities, and transportation barriers in existing vehicles used by an establishment for transporting individuals, not including barriers that can only be removed through the retrofitting of vehicles by the installation of hydraulic or other lifts, if the removal is readily achievable; and

(5) if an entity can demonstrate that the removal of a barrier under clause (4) is not readily achievable or cannot be considered a reasonable accommodation, a failure to make the goods, services, facilities, privileges, advantages, or accommodations available through alternative means if the means are readily achievable.

(d) Nothing in this chapter requires an entity to permit an individual to participate in and benefit from the goods, services, facilities, privileges, advantages, and accommodations of the entity if the individual poses a direct threat to the health or safety of others. "Direct threat" means a significant risk to the health or safety of others that cannot be eliminated by a modification of policies, practices, or procedures or by the provision of auxiliary aids or services.

(e) No individual may be discriminated against on the basis of disability in the full and equal enjoyment of specified public transportation services provided by a private entity that is primarily engaged in the business of transporting people and whose operations affect commerce. For purposes of this paragraph, it is an unfair discriminatory practice for a private entity providing public transportation to engage in one or more of the following practices:

(1) imposition or application of eligibility criteria that screen out, or tend to screen out, an individual with a disability or a class of individuals with disabilities from fully enjoying the specified public transportation services provided by the entity, unless the criteria can be shown to be necessary for the provision of the services being offered;

(2) failure to make reasonable modifications, provide auxiliary aids and services, and remove barriers, consistent with section 363.03, subdivision 3, paragraph (c);

(3) the purchase or lease of a new vehicle, other than an automobile or van with a seating capacity of fewer than eight passengers, including the driver, or an over-the-road bus, that is to be used to provide specified public transportation that is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, except that a new vehicle need not be readily accessible to and usable by individuals with disabilities if the vehicle is to be used solely in a demand responsive system and if the private entity can demonstrate that the system, when viewed in its entirety, provides a level of services to individuals with disabilities equivalent to the level of service provided to the general public;

(4) purchase or lease a new railroad passenger car that is to be used to provide specified public transportation if the car is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, or to manufacture railroad passenger cars or purchase used cars that have been remanufactured so as to extend their usable life by ten years or more, unless the remanufactured car, to the maximum extent feasible, is made readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, except that compliance with this clause is not required to the extent that compliance would significantly alter the historic or antiquated character of historic or antiquated railroad passenger cars or rail stations served exclusively by those cars;

(5) purchase or lease a new, used, or remanufactured vehicle with a seating capacity in excess of 16 passengers, including the driver, for use on a fixed route public transportation system, that is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs. If a private entity that operates a fixed route public transportation system purchases or leases a new, used, or remanufactured vehicle with a seating capacity of 16 passengers or fewer, including the driver, for use on the system which is not readily accessible to and usable by individuals with disabilities,

it is an unfair discriminatory practice for the entity to fail to operate the system so that, when viewed in its entirety, the system ensures a level of service to individuals with disabilities, including individuals who use wheelchairs, equivalent to the level of service provided to individuals without disabilities; or

(6) to fail to operate a demand responsive system so that, when viewed in its entirety, the system ensures a level of service to individuals with disabilities, including individuals who use wheelchairs, equivalent to the level of service provided to individuals without disabilities. It is an unfair discriminatory practice for the entity to purchase or lease for use on a demand responsive system a new, used, or remanufactured vehicle with a seating capacity in excess of 16 passengers, including the driver, that is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, unless the entity can demonstrate that the system, when viewed in its entirety, provides a level of service to individuals with disabilities equivalent to that provided to individuals without disabilities.

(f) It is an unfair discriminatory practice to construct a new facility or station to be used in the provision of public transportation services, unless the facilities or stations are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs. It is an unfair discriminatory practice for a facility or station currently used for the provision of public transportation services defined in this subdivision to fail to make alterations necessary in order, to the maximum extent feasible, to make the altered portions of facilities or stations readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs. If the private entity is undertaking an alteration that affects or could affect the usability of or access to an area of the facility containing a primary function, the entity shall make the alterations so that, to the maximum extent feasible, the path of travel to the altered area, and the bathrooms, drinking fountains, and telephones serving the altered area, are readily accessible to and usable by individuals with disabilities if the alterations to the path of travel or to the functions mentioned are not disproportionate to the overall alterations in terms of cost and scope. The entity raising this defense has the burden of proof, and the department shall review these cases on a case-by-case basis."

Page 1, line 17, delete "*Section 1 is*" and insert "*Sections 1 and 2 are*" and delete "*1993*" and insert "*1994*"

Page 1, line 18, delete "*1994*" and insert "*1995*"

Page 1, lines 21 and 25, delete "*1993*" and insert "*1994*"

Page 1, line 24, delete "*1992*" and insert "*1993*"

Page 2, line 3, delete "*1993*" and insert "*1994*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete ";" property" and insert "and human rights"

Page 1, line 4, after the semicolon, insert "prohibiting discrimination in public accommodations on the basis of marital status;"

Page 1, line 5, delete "section" and insert "sections" and after "273.112," insert "subdivision 3, and" and after "subdivision" insert ";" and 363.03, subdivision 3"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1226, 771 and 1327 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1749 and 994 were read the second time.

MOTIONS AND RESOLUTIONS – CONTINUED

Ms. Ranum moved that S.F. No. 321 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

Ms. Berglin moved that S.F. No. 44 be taken from the table. The motion prevailed.

S.F. No. 44: A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 44 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 44 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Reichgott
Anderson	Dille	Krentz	Morse	Robertson
Beckman	Finn	Kroening	Murphy	Runbeck
Belanger	Flynn	Laidig	Neuville	Sams
Benson, D.D.	Hanson	Langseth	Novak	Samuelson
Benson, J.E.	Hottinger	Larson	Oliver	Solon
Berg	Janezich	Lesewski	Olson	Spear
Berglin	Johnson, D.E.	Luther	Pappas	Stevens
Bertram	Johnson, D.J.	Marty	Pariseau	Stumpf
Betzold	Johnson, J.B.	McGowan	Piper	Terwilliger
Chandler	Johnston	Merriam	Pogemiller	Vickerman
Chmielewski	Kelly	Metzen	Price	Wiener
Cohen	Kiscaden	Moe, R.D.	Ranum	

So the bill, as amended, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1201: Messrs. Finn, Betzold and Dille.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Novak was excused from the Session of today from 8:30 to 9:30 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 11:10 a.m. Mr. Johnson, D.E. was excused from the Session of today from 8:30 a.m. to 12:15 p.m. Mr. McGowan was excused from the Session of today from 11:20 a.m. to 12:00 noon. Mr. Samuelson was excused from the Session of today from 12:00 noon to 1:00 p.m. Mr. Frederickson was excused from the Session of today at 11:20 a.m. Mr. Riveness was excused from the Session of today at 12:20 p.m. Mr. Lessard was excused from the Session of today at 1:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Monday, May 3, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-NINTH DAY

St. Paul, Minnesota, Monday, May 3, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Leo J. Tibesar.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnson	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 487.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

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. 50: A bill for an act relating to traffic regulations; authorizing operation of recreational vehicle combinations with certain restrictions; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.81, by adding a subdivision.

Senate File No. 50 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

CONCURRENCE AND REPASSAGE

Mr. Vickerman moved that the Senate concur in the amendments by the House to S.F. No. 50 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 50 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chandler	Knutson	Moe, R.D.	Robertson
Anderson	Cohen	Krentz	Mondale	Runbeck
Beckman	Day	Kroening	Morse	Sams
Belanger	Finn	Laidig	Murphy	Samuelson
Benson, D.D.	Flynn	Larson	Oliver	Spear
Benson, J.E.	Hanson	Lesewski	Pappas	Stevens
Berg	Hottinger	Lessard	Pariseau	Stumpf
Berglin	Janezich	Luther	Piper	Terwilliger
Bertram	Johnson, D.E.	Marty	Price	Vickerman
Betzold	Johnston	Metzen	Ranum	Wiener

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 236: A bill for an act relating to domestic abuse; requiring a report on victims of domestic abuse and eligibility for unemployment compensation benefits.

Senate File No. 236 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

Ms. Anderson moved that S.F. No. 236 be laid on the table. The motion prevailed.

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. 485: A bill for an act relating to the city of Faribault; providing for the civil service status of certain officers.

Senate File No. 485 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

CONCURRENCE AND REPASSAGE

Mr. Neuville moved that the Senate concur in the amendments by the House to S.F. No. 485 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 485: A bill for an act relating to the city of Faribault; providing for the civil service status of certain officers; providing postretirement adjustments payable from the Faribault fire consolidation account.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Sams
Anderson	Dille	Kroening	Murphy	Samuelson
Beckman	Finn	Laidig	Neuville	Solon
Belanger	Flynn	Larson	Oliver	Spear
Benson, D.D.	Hanson	Lesewski	Pappas	Stevens
Benson, J.E.	Hottinger	Lessard	Pariseau	Stumpf
Berg	Janezich	Luther	Piper	Terwilliger
Berglin	Johnson, D.E.	Marty	Price	Vickerman
Bertram	Johnson, J.B.	McGowan	Ranum	Wiener
Betzold	Johnston	Metzen	Riveness	
Chandler	Kiscaden	Moe, R.D.	Robertson	
Cohen	Knutson	Mondale	Runbeck	

Mr. Merriam voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 848: A bill for an act relating to natural resources; mineral leasing; environmental research and protection; exploratory mineral borings and data; lean ore stockpile removal; amending Minnesota Statutes 1992, sections 92.50, subdivision 1; 93.001; 93.002, subdivisions 1 and 3; 93.25; 93.46, by adding a subdivision; 93.481, subdivisions 1 and 2; 103I.113; 103I.601, subdivision 1; 103I.605, subdivision 4; and 282.04, subdivision 1.

Senate File No. 848 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1993

CONCURRENCE AND REPASSAGE

Mr. Janezich moved that the Senate concur in the amendments by the House to S.F. No. 848 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 848: A bill for an act relating to natural resources; mineral leasing; environmental research and protection; exploratory mineral borings and data; lean ore stockpile removal; oil and gas well spacing, pooling, and utilization; amending Minnesota Statutes 1992, sections 92.50, subdivision 1; 93.001; 93.002, subdivisions 1 and 3; 93.25; 93.46, by adding a subdivision; 93.481, subdivisions 1 and 2; 103I.113; 103I.601, subdivision 1; 103I.605, subdivision 4; and 282.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 93.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Robertson
Anderson	Dille	Krentz	Mondale	Runbeck
Beckman	Finn	Kroening	Morse	Sams
Belanger	Flynn	Laidig	Murphy	Samuelson
Benson, D.D.	Frederickson	Larson	Neuville	Solon
Benson, J.E.	Hanson	Lesewski	Oliver	Spear
Berg	Hottinger	Lessard	Pappas	Stevens
Berglin	Janezich	Luther	Pariseau	Stumpf
Bertram	Johnson, D.E.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Price	Vickerman
Chandler	Johnston	Merriam	Ranum	Wiener
Cohen	Kiscaden	Metzen	Riveness	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following

House Files, herewith transmitted: H.F. Nos. 1579, 931, 978, 1060, 962, 87, 1151, 574, 1094, 514, 735, 988, 1524, 1058, 1107 and 1402.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 1, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1579: A bill for an act relating to public finance; changing procedures for allocating tax credits; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 462A.221, by adding subdivisions; 462A.222, subdivision 3; 474A.047, subdivision 1; and 474A.061, subdivision 2a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1487, now on General Orders.

H.F. No. 931: A bill for an act relating to motor fuels; increasing minimum oxygen content in certain areas at certain times; amending Minnesota Statutes 1992, section 239.791, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 771, now on General Orders.

H.F. No. 978: A bill for an act relating to motor carriers; defining exempt carriers to include certain tow trucks; amending Minnesota Statutes 1992, sections 169.01, subdivision 52; and 221.025.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 910, now on General Orders.

H.F. No. 1060: A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; authorizing an ethanol development program; appropriating money; amending Minnesota Statutes 1992, sections 41B.02, subdivisions 7, 12, 14, 15, and by adding subdivisions; 41B.03, subdivision 3; 41B.04, subdivision 9, and by adding a subdivision; and 41C.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Finance.

H.F. No. 962: A bill for an act relating to metropolitan government; requiring a classroom noise study.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 814, now on General Orders.

H.F. No. 87: A bill for an act relating to utilities; allowing provision of telephone caller identification service; providing that certain unauthorized service charges by a telephone company are void; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Jobs, Energy and Community Development.

H.F. No. 1151: A bill for an act relating to employment; requiring wage payments at certain times; amending Minnesota Statutes 1992, section 181.101.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1193, now on General Orders.

H.F. No. 574: A bill for an act relating to retirement; administrative changes, age discrimination act compliance, death-while-active surviving spouse benefit improvements by the Minnesota state retirement system, the public employees retirement association, and teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, and 7; 352.115, subdivision 8; 352.12, subdivisions 1, 2, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivisions 3 and 11; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.105; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding subdivisions; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1 and 5a; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivisions 1 and 2; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352D.05, subdivision 5; and 353.656, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 519, now on General Orders.

H.F. No. 1094: A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association, and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; appropriating money; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding

a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29; subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 70A.06, subdivision 5; 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1134, now on General Orders.

H.F. No. 514: A bill for an act relating to the environment; providing for passive bioremediation; providing for review of agency employee decisions; increasing membership of petroleum tank release compensation board; establishing a fee schedule of costs or criteria for evaluating reasonableness of costs submitted for reimbursement; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; authorizing board to delegate its reimbursement powers and duties to the commissioner of commerce; requiring a report; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1992; sections 115C.02, subdivisions 10 and 14; 115C.03, by adding subdivisions; 115C.07, subdivisions 1, 2, and 3; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 1, 3, 3a, 3c, and by adding a subdivision; and 115C.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1992, sections 115C.01; 115C.02; 115C.021; 115C.03; 115C.04; 115C.045; 115C.05; 115C.06; 115C.065; 115C.07; 115C.08; 115C.09; 115C.10; 115C.11; and 115C.12.

Referred to the Committee on Finance.

H.F. No. 735: A bill for an act relating to highway traffic regulations; implements of husbandry; defining implements of husbandry; exempting trailers that carry dry fertilizer from vehicle registration tax; reducing the maximum speed limit for implements of husbandry to 25 miles per hour; requiring hazard warning lights on implements of husbandry; regulating brakes on implements of husbandry; imposing certain size and weight restrictions; requiring slow-moving vehicle safety to be included in driver examinations and driver education courses; amending Minnesota Statutes 1992, sections 168.012, subdivision 2b; 169.01, subdivision 55; 169.145; 169.18, subdivision 5; 169.47; 169.55, subdivision 2, and by adding a subdivision; 169.64, subdivision 6; 169.67, subdivisions 3, 4, and by adding a subdivision; 169.72, subdivision 1; 169.781, subdivision 3; 169.80, subdivisions 1 and 2; 169.82; 169.86, subdivision 5; and 171.13, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 551, now on General Orders.

H.F. No. 988: A bill for an act relating to game and fish; allowing the taking of two deer in designated counties; amending Minnesota Statutes 1992, section 97B.301, subdivisions 2, 4, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 878, now on General Orders.

H.F. No. 1524: A bill for an act relating to taxation; providing conditions and requirements for the issuance of public debt and for the financial obligations of authorities; providing an exemption from the mortgage registration tax; providing an exemption from an ad valorem taxation for certain lease purchase property; providing a property tax exemption for certain property devoted to public use; amending Minnesota Statutes 1992, sections 80A.12, by adding a subdivision; 275.065, subdivision 7; 287.04; 447.45, subdivision 2; 475.67, subdivisions 3 and 13; and 501B.25; repealing Minnesota Rules, part 2875.3532.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1419, now on General Orders.

H.F. No. 1058: A bill for an act relating to landlord and tenant; modifying action to recover leased premises; providing for actions for destruction of leased residential rental property; allowing expedited proceedings; amending Minnesota Statutes 1992, sections 504.02, subdivision 1; and 566.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 504; and 566.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1532, now on General Orders.

H.F. No. 1107: A bill for an act relating to waters; establishing a small craft harbors program for Lake Superior; stating powers and duties of the commissioner of natural resources and local authorities in respect thereto; proposing coding for new law in Minnesota Statutes, chapter 86A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1467, now on General Orders.

H.F. No. 1402: A bill for an act relating to natural resources; amending requirements relating to replacement of wetlands; modifying exemptions; amending Minnesota Statutes 1992, sections 103E.701, subdivision 1; 103G.222; 103G.2241; 103G.2242, subdivision 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1363, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 980 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
980		734			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 980 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 980 and insert the language after the enacting clause of S.F. No. 734, the third engrossment; further, delete the title of H.F. No. 980 and insert the title of S.F. No. 734, the third engrossment.

And when so amended H.F. No. 980 will be identical to S.F. No. 734, and further recommends that H.F. No. 980 be given its second reading and substituted for S.F. No. 734, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1178 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1178		900			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1178 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1178 and insert the language after the enacting clause of S.F. No. 900, the sixth engrossment; further, delete the title of H.F. No. 1178 and insert the title of S.F. No. 900, the sixth engrossment.

And when so amended H.F. No. 1178 will be identical to S.F. No. 900, and further recommends that H.F. No. 1178 be given its second reading and substituted for S.F. No. 900, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 238 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
238	421				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 238 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 238 and insert the language after the enacting clause of S.F. No. 421, the first engrossment; further, delete the title of H.F. No. 238 and insert the title of S.F. No. 421, the first engrossment.

And when so amended H.F. No. 238 will be identical to S.F. No. 421, and further recommends that H.F. No. 238 be given its second reading and substituted for S.F. No. 421, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 608 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
608	708				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 608 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 608 and insert the language after the enacting clause of S.F. No. 708, the first engrossment; further, delete the title of H.F. No. 608 and insert the title of S.F. No. 708, the first engrossment.

And when so amended H.F. No. 608 will be identical to S.F. No. 708, and further recommends that H.F. No. 608 be given its second reading and substituted for S.F. No. 708, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 874 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
874	837				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 980, 1178, 238, 608 and 874 were read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1749 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1749: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing state bonding; appropriating money; amending Minnesota Statutes, section 16B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124C; and 137.

Mr. Merriam moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 2, lines 16 and 35, delete "1,000,000" and insert "2,000,000"

Page 2, line 19, before the first comma, insert "including water mains"

Page 3, line 2, delete "1,000,000" and insert "2,000,000"

Page 3, line 6, before the third comma, insert "including planning for a new boiler at St. Cloud"

Page 3, line 21, delete "2,000,000" and insert "3,000,000"

Correct the section totals, the summary of appropriations, and the bond sale authorization accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 7, line 1, before the period, insert ", except that no local match is required"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 10, after line 28, insert:

“Sec. 23. [REPEALER.]

Minnesota Statutes 1992, sections 116R.01; 116R.02; 116R.03; 116R.04; 116R.05; 116R.06; 116R.07; 116R.08; 116R.09; 116R.10; 116R.11; 116R.12; 116R.13; 116R.14; 116R.15; and 116R.16, are repealed.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Johnson, D.J. questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Oliver moved to amend the Berg amendment to H.F. No. 1749 as follows:

Page 1, line 5, delete “*sections 116R.01;*” and insert “*section*” and delete the second semicolon and insert “, *subdivision 1,*”

Page 1, delete lines 6 and 7

Page 1, line 8, delete “*116R.16, are*” and insert “*is*”

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 1749. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Oliver amendment to the Berg amendment.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Day	Kroening	Murphy	Pogemiller
Benson, D.D.	Dille	Larson	Neuville	Ranum
Benson, J.E.	Flynn	Lesewski	Oliver	Reichgott
Berg	Frederickson	Marty	Olson	Robertson
Berglin	Kelly	McGowan	Pappas	Sams
Betzold	Kiscaden	Merriam	Pariseau	Spear
Cohen	Knutson	Morse	Piper	Stevens

Those who voted in the negative were:

Adkins	Hanson	Krentz	Mondale	Stumpf
Beckman	Hottinger	Laidig	Novak	Terwilliger
Belanger	Janezich	Langseth	Price	Vickerman
Bertram	Johnson, D.E.	Lessard	Rivness	Wiener
Chandler	Johnson, D.J.	Luther	Runbeck	
Chmielewski	Johnson, J.B.	Metzen	Samuelson	
Finn	Johnston	Moe, R.D.	Solon	

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Berg amendment, as amended.

The roll was called, and there were yeas 12 and nays 55, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Flynn	Neuville	Pariseau	Robertson
Berg	Frederickson	Oliver	Ranum	Stevens
Cohen	McGowan			

Those who voted in the negative were:

Adkins	Dille	Knutson	Metzen	Reichgott
Anderson	Finn	Krentz	Moe, R.D.	Riveness
Beckman	Hanson	Kroening	Mondale	Runbeck
Belanger	Hottinger	Laidig	Morse	Sams
Benson, J.E.	Janezich	Langseth	Murphy	Samuelson
Berglin	Johnson, D.E.	Larson	Novak	Solon
Bertram	Johnson, D.J.	Lesewski	Olson	Spear
Betzold	Johnson, J.B.	Lessard	Pappas	Stumpf
Chandler	Johnston	Luther	Piper	Terwilliger
Chmielewski	Kelly	Marty	Pogemiller	Vickerman
Day	Kiscaden	Merriam	Price	Wiener

The motion did not prevail. So the Berg amendment, as amended, was not adopted.

Mr. Metzen moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 2, after line 29, insert:

“Subd. 3. Decision Driving Course 600,000

To the state board of technical colleges for completion of the decision driving course at Dakota county technical college. The remaining cost of the project shall be paid from local sources.”

Correct the section totals, the summary of appropriations, and the bond sale authorization accordingly

The motion did not prevail. So the amendment was not adopted.

Mrs. Benson, J.E. moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 3, after line 15, insert:

“Subd. 4. Library Design and Development 370,000

For planning through design development of a library facility at St. Cloud state university.”

Correct the section totals, the summary of appropriations, and the bond sale authorization accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1749 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1178 and that the rules of the Senate be so far suspended as to give H.F. No. 1178, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1178: A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for classification of certain tax data; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.317, subdivision 5; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.05, subdivision 2, and by adding a subdivision; 62J.09, subdivisions 2, 5, 8, and by adding subdivisions; 62J.15, subdivision 1; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 62J.33; 62J.34, subdivision 2; 62L.02, subdivisions 16, 19, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 2, 3, 4, and 6; 62L.08, subdivisions 4 and 8; 62L.09, subdivision 1; 62L.11, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2, 4, and 5; 136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.147, subdivision 4; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 144.581, subdivision 2; 151.47, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9352, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, and 5; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3, and by adding a subdivision; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, and 2a; 256B.0625, subdivision 13; 256D.03, subdivision 3; 270B.01, subdivision 8; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions;

295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 3, and by adding a subdivision; 295.54; 295.55, subdivision 4; 295.57; 295.58; 295.59; Laws 1990, chapter 591, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 62A; 62J; 136A; 144; 151; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.15, subdivision 2; 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Ms. Berglin moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 9, delete lines 30 to 36 and insert:

“In an effort to achieve the stated purposes of sections 62N.01 to 62N.22; in order to safeguard the underlying nonprofit status of integrated service networks; and to ensure that payment of integrated service network money to any person or organization results in a corresponding benefit to the integrated service network and its enrollees; when determining whether an integrated service network has incurred an unreasonable expense in relation to payments made to a person or organization, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the integrated service network have acted with good faith and in the best interests of the integrated service network in entering into, and performing under, a contract under which the integrated service network has incurred an expense. In addition to the compliance powers under subdivision 3, the commissioner has standing to sue, on behalf of an integrated service network, officers or trustees of the integrated service network who have breached their fiduciary duty in entering into and performing such contracts.

Subd. 2. [DATA ON CONTRACTS.] Integrated service networks shall keep on file in the offices of the integrated service network copies of all contracts regulated under subdivision 1, and data on the payments, salaries, and other remuneration paid to for-profit firms, affiliates, or to persons for administrative expenses, service contracts, and management of the integrated service network, and shall make these records available to the commissioner upon request.”

Page 10, delete lines 1 to 10 and insert:

“Subd. 3. [COMPLIANCE AUTHORITY.] The commissioner may review any contract, arrangement, or agreement to determine whether it complies with the provisions contained in subdivision 1. The commissioner may suspend any provision that does not comply with subdivision 1 and may require the integrated service network to replace those provisions with provisions that do comply.”

Page 17, after line 29, insert:

“Section 1. Minnesota Statutes 1992, section 62D.042, subdivision 2, is amended to read:

Subd. 2. [BEGINNING ORGANIZATIONS.] (a) Beginning organizations shall maintain net worth of at least 8-1/3 percent of the sum of all expenses

expected to be incurred in the 12 months following the date the certificate of authority is granted, or \$1,500,000, whichever is greater.

(b) After the first full calendar year of operation, organizations shall maintain net worth of at least 8-1/3 percent *and at most 16-2/3 percent* of the sum of all expenses incurred during the most recent calendar year, ~~or \$1,000,000, whichever is greater but in no case shall net worth fall below \$1,000,000.~~"

Page 19, line 24, delete "plus"

Page 19, line 25, before the period, insert "*charitable contributions, and all other payments made by health carriers out of premium revenues, except taxes and assessments, and payments or allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenues minus taxes and assessments. Taxes and assessments means payments for taxes, contributions to the Minnesota comprehensive health association, the provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section 295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, and any new assessments imposed by federal or state law*"

Page 19, delete lines 27 to 31 and insert "*establish limits on the increase in total expenditures by each health carrier for calendar years 1994 and 1995. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b).*"

Page 20, line 9, delete "Health carriers" and insert "The commissioner"

Page 20, line 17, before "The" insert "(a)"

Page 20, line 18, after "reserves" insert "*and net worth as established under chapters 60A, 62C, and 62D*"

Page 20, delete lines 21 to 36

Page 21, line 1, delete "(c)" and insert "(b)" and delete "chapter 60A" and insert "*chapters 60A, 62C, and 62D*"

Page 21, line 2, delete "chapter 62A" and insert "*chapters 62A, 62C, and 62D*"

Page 21, line 36, delete everything after "commissioner" and insert "*may adopt rules necessary to enforce this section*"

Page 22, delete line 1

Page 22, line 2, delete everything before the period

Page 23, line 20, after the period, insert "*The commissioner may adopt rules in order to enforce this section.*"

Renumber the sections of article 2 in sequence and correct the internal references

Page 27, line 32, after "received" insert "*under this section or under section 62J.37, 62J.38, or 62J.41*"

Page 27, line 34, delete everything after "applicable"

Page 27, line 35, delete everything before the period

Pages 34 to 37, delete section 15 and insert:

“Sec. 15. [62J.45] [DATA INSTITUTE.]

Subdivision 1. [STATEMENT OF PURPOSE.] It is the intention of the legislature to create a public-private mechanism for the collection of health care costs, quality, and outcome data, to the extent administratively efficient and effective. This integrated data system will provide clear, usable information on the cost, quality, and structure of health care services in Minnesota.

The health reform initiatives being implemented rely heavily on the availability of valid, objective data that currently are collected in many forms within the health care industry. Data collection needs cannot be efficiently met by undertaking separate data collection efforts.

The data institute created in this section will be a partnership between the commissioner of health and a board of directors representing health carriers and other group purchasers, health care providers, and consumers. These entities will work together to establish a centralized cost and quality data system that will be used by the public and private sectors. The data collection advisory committee and the practice parameter advisory committee shall provide assistance to the institute through the commissioner of health.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following definitions apply.

(a) “Board” means the board of directors of the data institute.

(b) “Encounter level data” means data related to the provision of health care services to individual patients, enrollees, or insureds, including claims data, abstracts of medical records, and data from patient interviews and patient surveys.

(c) “Health carrier” has the definition provided in section 62A.011, subdivision 2.

Subd. 3. [OBJECTIVES OF THE DATA INSTITUTE.] The data institute shall:

(1) provide direction and coordination for public and private sector data collection efforts;

(2) establish a data system that electronically transmits, collects, archives, and provides users of data with the data necessary for their specific interests, in order to promote a high quality, cost-effective, consumer-responsive health care system;

(3) use and build upon existing data sources and quality measurement efforts, and improve upon these existing data sources and measurement efforts through the integration of data systems and the standardization of concepts, to the greatest extent possible;

(4) ensure that each segment of the health care industry can obtain data for appropriate purposes in a useful format and timely fashion;

(5) protect the privacy of individuals and minimize administrative costs; and

(6) develop a public/private information system to:

(i) make health care claims processing and financial settlement transactions more efficient;

(ii) provide an efficient, unobtrusive method for meeting the shared data needs of the state, consumers, employers, providers, and group purchasers;

(iii) provide the state, consumers, employers, providers, and group purchasers with information on the cost, appropriateness and effectiveness of health care, and wellness and cost containment strategies;

(iv) provide employers with the capacity to analyze benefit plans and work place health; and

(v) provide researchers and providers with the capacity to analyze clinical effectiveness.

The institute shall carry out these activities in accordance with the recommendations of the data collection plan developed by the data collection advisory committee, the Minnesota health care commission, and the commissioner of health, under subdivision 4.

Subd. 4. [DATA COLLECTION PLAN.] The commissioner, in consultation with the board of the institute and the data collection advisory committee, shall develop and implement a plan that:

(1) provides data collection objectives, strategies, priorities, cost estimates, administrative and operational guidelines, and implementation timelines for the data institute; and

(2) identifies the encounter level data needed for the commissioner to carry out the duties assigned in this chapter.

The plan must take into consideration existing data sources and data sources that can easily be made uniform for linkages to other data sets.

This plan shall be prepared by October 31, 1993.

Subd. 5. [COMMISSIONER'S DUTIES.] (a) The commissioner shall establish a public/private data institute in conjunction with health care providers, health carriers and other group purchasers, and consumers, to collect and process encounter level data that are required to be submitted to the commissioner under this chapter. The commissioner shall establish a board of directors comprised of members of the public and private sector to provide oversight for the administration and operation of the institute.

(b) Until the data institute is operational, the commissioner may collect encounter level data required to be submitted under this chapter.

(c) The commissioner, with the advice of the board, shall establish policies for the disclosure of data to consumers, purchasers, providers, integrated service networks, and plans for their use in analysis to meet the goals of this chapter, as well as for the public disclosure of data to other interested parties. The disclosure policies shall ensure that consumers, purchasers, providers, integrated service networks, and plans have access to institute data for use in analysis to meet the goals of this chapter at the same time that data is provided to the data analysis unit in the department of health.

(d) The commissioner, with the advice of the board, may require those requesting data from the institute to contribute toward the cost of data

collection through the payments of fees. Entities supplying data to the institute shall not be charged more than the actual transaction cost of providing the data requested.

(e) The commissioner may intervene in the direct operation of the institute, if this is necessary in the judgment of the commissioner to accomplish the institute's duties. If the commissioner intends to depart from the advice and recommendations of the board, the commissioner shall inform the board of the intended departure, provide the board with a written explanation of the reasons for the departure, and give the board the opportunity to comment on the departure.

Subd. 6. [BOARD OF DIRECTORS.] The institute is governed by a 14 member board of directors. The commissioner shall appoint all board members and designate a chair after considering the board's recommendation. The board consists of the following members:

- (1) three representatives of health care providers;
- (2) two representatives of health carriers;
- (3) two consumer members;
- (4) two employer representatives, one representing an employer with under 30 employees, and the other representing an employer with more than 30 employees;
- (5) two researchers experienced in the collection and processing of encounter level data; and
- (6) three representatives of state agencies, one member representing the department of employee relations, one member representing the department of human services, and one member representing the department of health.

Subd. 7. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] The board is governed by section 15.0575.

Subd. 8. [STAFF.] The board may hire an executive director. The executive director is not a state employee but is covered by section 3.736. The executive director may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The attorney general shall provide legal services to the board.

Subd. 9. [DUTIES.] The board shall provide assistance to the commissioner in developing and implementing a plan for the public/private information system. In addition, the board shall make recommendations to the commissioner on:

- (1) the purpose of initiating a data collection initiatives;
- (2) the expected benefit to the state from the initiatives;
- (3) the methodology needed to ensure the validity of the initiative without creating an undue burden to providers and payors;
- (4) the most appropriate method of collecting the necessary data; and
- (5) the projected cost to the state; health care providers, health carriers, and other group purchasers to complete the initiative.

Subd. 10. [DATA COLLECTION.] The commissioner, in consultation with the data institute board, may select a vendor to:

(1) collect the encounter level data required to be submitted by group purchasers under sections 62J.38 and 62J.42, state agencies under section 62J.40, and health care providers under sections 62J.41 and 62J.42, using, to the greatest extent possible, standardized forms and procedures;

(2) collect the encounter level data required for the initiatives of the health care analysis unit, under sections 62J.30 to 62J.34, using, to the greatest extent possible, standardized forms and procedures;

(3) process the data collected to ensure validity, consistency, accuracy, and completeness, and as appropriate, merge data collected from different sources;

(4) provide unaggregated, encounter level data to the health care analysis unit within the department of health; and

(5) carry out other duties assigned in this section.

Subd. 11. [USE OF DATA.] (a) The board of the data institute, with the advice of the data collection advisory committee and the practice parameter advisory committee through the commissioner, is responsible for establishing the methodology for the collection of the state and is responsible for providing direction on what data would be useful to the plans, providers, consumers, and purchasers.

(b) The health care analysis unit is responsible for the analysis of the data and the development and dissemination of reports.

(c) The commissioner, in consultation with the board, shall determine when and under what conditions data disclosure to group purchasers, health care providers, consumers, researchers, and other appropriate parties may occur to meet the state's goals. The commissioner may require users of data to contribute toward the cost of data collection through the payment of fees. The commissioner shall require users of data to maintain the data according to the data privacy provisions applicable to the data.

Subd. 12. [CONTRACTING.] The commissioner, in consultation with the board, may contract with private sector entities to carry out the duties assigned in this section. The commissioner shall diligently seek to enter into contracts with private sector entities. Any contract must list the specific data to be collected and the methods to be used to collect and validate the data. Any contract must require the private sector entity to maintain the data collected according to the data privacy provisions applicable to the data.

Subd. 13. [DATA PRIVACY.] The board and the institute are subject to chapter 13.

Subd. 14. [STANDARDS FOR DATA RELEASE.] The data institute shall adopt standards for the collection, analysis, and dissemination of data collected on costs, spending, quality, outcomes, and utilization. These standards must be consistent with data privacy requirements.

Subd. 15. [INFORMATION CLEARINGHOUSE.] The commissioner shall coordinate the activities of the data institute with the activities of the information clearinghouse established in section 62J.33, subdivision 2.

Subd. 16. [FEDERAL AND OTHER GRANTS.] The commissioner, in collaboration with the board, shall seek federal funding and funding from private and other nonstate sources for the initiatives required by the board."

Pages 38 to 40, delete article 4

Page 40, delete section 1

Page 40, line 18, after "recommendations" insert "to the commissioner" and strike "the use and"

Page 40, delete line 19 and insert "distribution of new and existing health care technologies and"

Page 40, line 20, strike everything before the period and insert "to be evaluated"

Page 40, line 26, before "Health" insert "Possible" and after the stricken "procedures" insert "to be evaluated"

Pages 40 and 41, delete section 3

Page 41, delete lines 24 to 35 and insert:

"Sec. 3. Minnesota Statutes 1992, section 62J.15, is amended by adding a subdivision to read:

Subd. 2a. [HEALTH PLANNING ADVISORY PANEL.] Upon recommendation by the health planning advisory committee, the commissioner may convene a health planning advisory panel as needed to evaluate the assessments of a specific technology.

Sec. 4. Minnesota Statutes 1992, section 62J.15, is amended by adding a subdivision to read:"

Page 41, line 36, delete "2" and insert "3" and delete "DESIGNATING" and insert "RECOMMENDING"

Page 42, line 1, delete "ASSESSMENT" and insert "EVALUATION"

Page 42, line 2, delete "designating" and insert "recommending specific"

Page 42, after line 20, insert:

"Sec. 5. Minnesota Statutes 1992, section 62J.15, is amended by adding a subdivision to read:"

Page 42, line 21, delete "3" and insert "4"

Page 42, after line 28, insert:

"Sec. 6. Minnesota Statutes 1992, section 62J.15, is amended by adding a subdivision to read:"

Page 42, line 29, delete "4" and insert "5"

Page 42, line 31, delete "committee" and insert "panel"

Page 43, line 2, delete from "The" through page 43, line 24, to "used:" and insert:

"(b) When the evaluation process on a specific technology has been completed, the health planning advisory panel shall submit a report to the

commissioner. The report should include a complete assessment of the literature, research, and studies of the specific technology evaluated including both the positive and negative aspects of the technology.

(c) The commissioner shall then make findings on the specific technology including recommendations for the distribution and use of the specific technology.

Sec. 7. Minnesota Statutes 1992, section 62J.15, is amended by adding a subdivision to read:

Subd. 6. [USE OF TECHNOLOGY EVALUATION.] The commissioner's findings and recommendations on a specific technology may be used as follows:"

Page 44, delete lines 7 to 32

Pages 44 and 45, delete sections 6 and 7

Re-number the sections of article 5 in sequence and correct the internal references

Pages 46 and 47, delete section 2

Page 49, delete lines 32 to 36

Page 50, delete lines 1 to 10

Page 50, line 11, delete "*Subd. 3. [REGIONAL PURCHASING POOLS.]*"

Page 50, line 12, delete "*sponsor*" and insert "*facilitate*"

Page 50, line 14, delete everything after the period and insert "*Regional coordinating boards may request assistance from the department of employee relations.*"

Page 50, delete lines 15 and 16

Re-number the sections of article 6 in sequence and correct the internal references

Page 54, line 34, strike "*of the commissioner*"

Page 54, line 36, after "*The*" insert "*notice of*" and delete "*brought*" and insert "*served on the commissioner*"

Page 55, line 1, delete "*commissioner's*" and after the period, insert "*The commissioner shall decide the contested case.*"

Page 59, line 33, after "*means*" insert "*an expenditure in excess of \$500,000 for*"

Page 61, line 11, delete "*that is in excess of \$500,000*"

Page 88, line 13, delete "*INCREASE*" and insert "*ADJUSTMENTS*" and after "*increase*" insert "*or decrease*"

Page 88, line 15, delete "*the*" and insert "*this subdivision.*"

Page 88, delete line 16

Page 88, line 17, delete everything before "*A*"

Page 88, line 18, delete everything after "coverage"

Page 88, line 19, delete everything before "as"

Page 88, lines 20 and 22, after "increase" insert "or decrease"

Page 91, after line 34, insert:

"Sec. 2. [62A.095] [DISCLOSURE OF METHODS USED BY HEALTH PLANS TO DETERMINE USUAL AND CUSTOMARY FEES.]

(a) A health carrier or health plan which bases reimbursement to health care providers upon a usual and customary fee must maintain in its offices a copy of a description of the methodology used to calculate fees including at least the following:

(1) the frequency of the determination of usual and customary fees;

(2) a general description of the methodology used to determine usual and customary fees; and

(3) the percentile of usual and customary fees that determines the maximum allowable reimbursement.

(b) A health carrier or health plan must provide a copy of the information described in paragraph (a) to a provider, group purchaser, or enrollee upon request.

(c) At the request of a provider, group purchaser, or enrollee, the commissioners of health and commerce may require health carriers and health plans to provide the information required under this section and may use any powers granted under other laws relating to the regulation of health carriers and health plans to enforce compliance.

(d) For purposes of this section, "health carrier" and "health plan" have the meanings given in section 62A.011, and "group purchaser" has the meaning given in section 62J.03."

Page 96, line 30, delete "INCREASE" and insert "ADJUSTMENTS" and after "increase" insert "or decrease"

Page 96, line 33, after "in" insert "this" and delete "3"

Page 96, line 34, delete everything before "A"

Page 96, line 35, delete everything after "I"

Page 96, line 36, delete everything before "as"

Page 97, lines 1 and 3, after "increase" insert "or decrease"

Renumber the sections of article 9 in sequence and correct the internal references

Page 98, lines 3 to 6, delete the new language

Page 113, line 11, delete "14" and insert "11"

Page 126, line 36, delete "from which the patient cannot be identified"

Page 127, line 2, delete everything after the period and insert "The data analysis unit must"

Page 127, line 3, delete "*coded*" and insert "*code patient identifiers to prevent identification and*"

Page 128, delete lines 11 to 22 and insert:

"Subd. 8. [DATA COLLECTION ADVISORY COMMITTEE.] (a) The commissioner shall convene a 15-member data collection advisory committee consisting of health service researchers, health care providers, health carrier representatives, representatives of businesses that purchase health coverage, and consumers. Six members of this committee must be health care providers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

(b) *The data collection advisory committee shall develop a timeline to complete all responsibilities and transfer any ongoing responsibilities to the data institute. The timeline must specify the data on which ongoing responsibilities will be transferred. This transfer must be completed by July 1, 1994.*"

Page 128, delete lines 25 to 35 and insert:

"Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] (a) The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight health care professionals, and representatives of the research community and the medical technology industry. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, but does not expire.

(b) *The commissioner, upon the advice and recommendation of the practice parameter advisory committee, may convene expert review panels to assess practice parameters and outcome research associated with practice parameters.*"

Page 129, line 21, delete everything after "*the*" and insert "*commissioner encrypts the patient identifier upon receipt of the data.*"

Page 129, delete line 22

ReNUMBER the articles in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 81, line 17, strike "*may*" and insert "*shall*"

Page 81, line 18, after the comma, insert "*with respect to those employers in the association that employ no fewer than two nor more than 29 eligible employees,*"

Page 81, line 19, strike everything after "*to*"

Page 81, lines 20 to 26, strike the old language and delete the new language

Page 81, line 27, strike everything before the period and insert *"its members that do not qualify as small employers. An association in existence prior to July 1, 1993, is exempt from this chapter with respect to small employers that are members as of that date. However, in providing coverage to new groups after July 1, 1993, the existing association must comply with all requirements of chapter 62L. Existing associations must register with the commissioner of commerce prior to July 1, 1993"*

Page 88, after line 8, insert:

"Sec. 10. Minnesota Statutes 1992, section 62L.11, subdivision 1, is amended to read:

Subdivision 1. [DISCIPLINARY PROCEEDINGS.] The commissioner may, by order, suspend or revoke a health carrier's license or certificate of authority and impose a monetary penalty not to exceed \$25,000 for each violation of this chapter, ~~including~~. *Violations include the failure to pay an assessment required by section 62L.22, and knowingly and willfully encouraging a small employer to not meet the contribution or participation requirements of section 62L.03, subdivision 3, in order to avoid the requirements of this chapter.* The notice, hearing, and appeal procedures specified in section 60A.051 or 62D.16, as appropriate, apply to the order. The order is subject to judicial review as provided under chapter 14."

Renumber the sections of article 8 in sequence and correct the internal references

Page 93, line 35, after "paragraph" insert *"must be a qualified plan and"*

Page 94, line 4, after the period, insert *"In no event shall the premium rate exceed 90 percent of the premium charged for comparable individual coverage by the Minnesota comprehensive health association."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Larson moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 46, after line 16, insert:

"Sec. 2. Minnesota Statutes 1992, section 60A.08, is amended by adding a subdivision to read:

Subd. 15. [NONSMOKER DISCOUNT.] All health carriers, as defined in section 62A.011, shall provide a nonsmoker's discount for all individual health plans offered in this state."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Larson then moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 9, delete lines 9 to 12 and insert:

“Subdivision 1. [AUTHORIZED ENTITIES.] Any partnership, limited liability company, business corporation, cooperative, fraternal benefit society, or nonprofit corporation, otherwise authorized to do business in this state, may establish and operate an integrated service network if it complies with the applicable provisions of this chapter.

Subd. 2. [ENROLLEE ADVOCACY COUNCIL.] Any entity that operates an integrated service network shall create, maintain, and consult with an advocacy council, the membership of which is comprised of at least 40 percent enrollees of the integrated service network. This subdivision does not apply to a nonprofit health service plan corporation operating under chapter 62C, a health maintenance organization operating under chapter 62D, or a fraternal benefit society operating under chapter 64B.”

Page 9, line 13, delete “2” and insert “3”

Page 9, line 19, delete “3” and insert “4”

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on H.F. No. 1178. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Larson amendment.

The roll was called, and there were yeas 22 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Dille	McGowan	Pariseau	Solon
Benson, J.E.	Johnson, D.E.	Merriam	Riveness	Stevens
Berg	Johnston	Metzen	Robertson	
Bertram	Larson	Oliver	Runbeck	
Day	Lesewski	Olson	Samuelson	

Those who voted in the negative were:

Adkins	Finn	Kiscaden	Morse	Spear
Anderson	Flynn	Knutson	Neuville	Stumpf
Beckman	Frederickson	Krentz	Pappas	Terwilliger
Benson, D.D.	Hanson	Kroening	Piper	Vickerman
Berglin	Hottinger	Luther	Pogemiller	Wiener
Betzold	Janezich	Marty	Price	
Chandler	Johnson, D.J.	Moe, R.D.	Ranum	
Cohen	Johnson, J.B.	Mondale	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Finn moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 16, after line 32, insert:

“Sec. 23. [DISCLOSURE OF COMMISSIONS.]

Before selling, or offering to sell, any coverage or enrollment in an integrated service network, a person selling the coverage or enrollment shall disclose to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions."

Renumber the sections of article 1 in sequence and correct the internal references

Page 46, after line 16, insert:

"Sec. 2. Minnesota Statutes 1992, section 60K.14, is amended by adding a subdivision to read:

Subd. 7. Before selling, or offering to sell, any health insurance or a health plan as defined in section 62A.011, subdivision 3, an agent shall disclose to the prospective purchaser the amount of any commission or other compensation the agent will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 3. Minnesota Statutes 1992, section 62D.12, is amended by adding a subdivision to read:

Subd. 17. [DISCLOSURE OF COMMISSIONS.] Any person receiving commissions for the sale of coverage or enrollment in a health maintenance organization shall, before selling or offering to sell coverage or enrollment, disclose to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn then moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 53, after line 33, insert:

"Sec. 13. [STUDY ON NONPROFIT HEALTH CARRIERS.]

The commissioners of health and commerce shall study and report to the legislature no later than January 15, 1994, the amount of money spent by nonprofit health insurance companies on compensation, salaries, bonuses, incentive clauses, and contracts for management and consulting services for calendar year 1992 or 1993."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 53, after line 33, insert:

“Sec. 13. [PRESCRIPTION DRUG STUDY.]

The commissioner of health shall prepare and submit to the legislature by February 15, 1994, a study of the manufacturer, wholesale, and retail prescription drug market in Minnesota. In conducting the study, the commissioner of health shall consult with the commissioners of administration, employee relations, and human services, the Minnesota health care commission, and the University of Minnesota pharmaceutical research, management, and economics programs. The commissioner shall also consult with representatives of retail and other pharmacists, drug manufacturers, consumers, senior citizen organizations, hospitals, nursing homes, physicians, health maintenance organizations, and other stakeholders and persons with relevant expertise.

The study shall examine:

(1) how distinctions based on volume purchased or class of purchaser affect manufacturer, wholesale, and retail pricing;

(2) how manufacturer and wholesale pricing are affected by other industry practices, by federal and state law, and by other factors such as marketing, promotion, and research and development;

(3) how manufacturer and wholesale pricing affect retail pricing;

(4) other factors affecting retail pricing; and

(5) methods of reducing manufacturer, wholesale, and retail prices, including but not limited to:

(i) mandatory prescription drug contracting programs operated by the state;

(ii) voluntary prescription drug contracting programs operated by the state;

(iii) legislation to facilitate the development of manufacturer and wholesale purchasing programs in the private sector;

(iv) most favored purchaser legislation;

(v) legislation limiting manufacturer and wholesale price increases;

(vi) legislation providing for preferential treatment for underserved or disadvantaged retail purchasers;

(vii) legislation providing for the use of a state formulary or other formularies;

(viii) legislation providing for price disclosure; and

(ix) limitations on drug promotion and marketing.

The study must include recommendations and draft legislation for reducing the cost of prescription drugs for wholesale purchasers, consumers, retail pharmacies, and third-party payors. The recommendations must ensure that

parties benefiting from price savings at the manufacturer or wholesale level pass these savings on to consumers. The recommendations must not reduce costs through methods that would adversely affect access to prescription drugs, reduce the quality of prescription drugs, or cause a significant increase in manufacturer, wholesale, or retail prices for certain market segments."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 53, after line 33, insert:

"Sec. 13. [LEAVE DONATION PROGRAM.]

Subdivision 1. [DONATION OF SICK TIME.] A state employee may donate up to 50 hours of accrued vacation leave or sick leave time, or any combination of these, for the benefit of a state employee in Morrison county whose child was attacked by a dog in 1993. The number of hours donated must be credited to the sick leave account of the receiving state employee.

Subd. 2. [PROCESS FOR CREDITING.] The donating employee must notify the employee's agency head of the amount of accrued sick or vacation time the employee wishes to donate. The agency head shall transfer that amount to the sick leave account of the recipient. A donation of accrued sick or vacation leave time is irrevocable once it has been transferred to the account."

Page 54, line 5, delete "13" and insert "12 and 14"

Page 54, after line 6, insert:

"Section 13 is effective the day following final enactment and applies retroactively to January 1, 1993."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Beckman moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 98, line 33, after "inpatient" insert "hospital and residential"

The motion prevailed. So the amendment was adopted.

Mr. Beckman then moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 13, line 17, after "health" insert "and outpatient chemical dependency" and after "services" insert "except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660."

Page 13, line 22, after "health" insert "and inpatient hospital and residential chemical dependency" and after "services" insert "except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660."

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 12, line 12, after the period, insert "The rules establishing the standardized benefit plans may permit coverage of abortion services only to the extent allowed under the medical assistance program."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Metzen	Samuelson
Beckman	Dille	Kroening	Neuville	Stevens
Benson, J.E.	Frederickson	Larson	Olson	Stumpf
Berg	Hanson	Lesewski	Pariseau	Vickerman
Bertram	Johnson, D.J.	Lessard	Runbeck	
Chmielewski	Johnston	McGowan	Sams	

Those who voted in the negative were:

Anderson	Flynn	Luther	Oliver	Robertson
Belanger	Hottinger	Marty	Pappas	Solon
Benson, D.D.	Janezich	Merriam	Piper	Spear
Berglin	Johnson, D.E.	Moe, R.D.	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Mondale	Price	Wiener
Chandler	Kelly	Morse	Ranum	
Cohen	Kiscaden	Murphy	Reichgott	
Finn	Krentz	Novak	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 51, after line 15, insert:

"Sec. 9. Minnesota Statutes 1992, section 144.581, is amended by adding a subdivision to read:

Subd. 6. [HOSPITAL MANAGEMENT.] The provisions of section 43A.17, subdivision 9, shall not apply to the chief executive officer of a hospital of the type described in subdivision 1."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Ms. Pappas moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 53, after line 33, insert:

“Sec. 13. [SINGLE-PAYOR STUDY.]

The Minnesota health care commission shall study the administrative cost of paying Minnesota health care providers through the multiple payors that currently reimburse Minnesota providers. The commission shall also analyze the administrative cost of paying Minnesota health care providers through one state government agency and through one private sector health carrier. Administrative cost includes (1) the difference between all revenues received and all claims paid out by all publicly financed health programs and all private sector health plans; and (2) billing costs for Minnesota providers. The report should, to the extent possible, rely solely on data collected from Minnesota providers, health carriers, and other group purchasers. The commission shall report its findings to the legislature by January 15, 1994.”

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

Mr. Mondale moved to amend the Pappas amendment to H.F. No. 1178 as follows:

Page 1, line 17, after the period, insert “*The commission shall study the different types of administrative expenses and differentiate between administrative costs that relate solely to the operation of the claims paying entity and those costs that relate toward expansion of access and enhancement of the quality of care.*”

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Pappas amendment, as amended. The motion did not prevail. So the amendment, as amended, was not adopted.

Mr. Price moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 52, line 15, reinstate the stricken “A peace officer may not issue a citation for a”

Page 52, lines 16 to 18, reinstate the stricken language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

Berg	Janezich	Lessard	Pariseau	Stevens
Bertram	Johnson, D.E.	Metzen	Price	Stumpf
Chmielewski	Johnson, J.B.	Moe, R.D.	Riveness	Vickerman
Day	Kroening	Morse	Runbeck	
Finn	Larson	Neuville	Samuelson	
Frederickson	Lesewski	Novak	Solon	

Those who voted in the negative were:

Adkins	Cohen	Kiscaden	Mondale	Reichgott
Anderson	Dille	Knutson	Murphy	Robertson
Belanger	Flynn	Krentz	Oliver	Spear
Benson, D.D.	Hanson	Langseth	Olson	Terwilliger
Benson, J.E.	Hottinger	Luther	Pappas	Wiencr
Berglin	Johnson, D.J.	Marty	Piper	
Betzold	Johnston	McGowan	Pogemiller	
Chandler	Kelly	Merriam	Ranum	

The motion did not prevail. So the amendment was not adopted.

Mr. Mondale moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 7, line 8, delete "and"

Page 7, after line 8, insert:

"(24) rules prescribing standard measures and methods by which integrated service networks shall determine and disclose their prices, copayments, deductibles, out-of-pocket limits, enrollee satisfaction levels, and anticipated loss ratios; and"

Page 7, line 9, delete "(24)" and insert "(25)"

The motion prevailed. So the amendment was adopted.

Mr. Mondale then moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 37, after line 26, insert:

"Sec. 17. [STUDY OF POSSIBLE FEE DISCLOSURES.]

By January 1, 1994, the commissioner of health, in consultation with the Minnesota health care commission, other interested parties, and the public, shall report to the legislature concerning the most effective mechanisms by which providers performing health care services outside of an integrated service network could be required to disclose directly to consumers the providers' usual charges for common services and procedures. The report shall address, but need not be limited to:

(1) methods by which providers could post or otherwise disclose their usual charges for common services or procedures, in light of the fact that a provider's charge may vary, depending upon the payment source;

(2) the feasibility of requiring some or all providers to make available to members of a health plan a specific listing of the fees the provider charges members of that health plan for common procedures and services;

(3) *the feasibility of using benchmarks or comparison charges, such as Medicare reimbursement rates, as a reference point to assist consumers in evaluating a provider's charges; and*

(4) *the feasibility of requiring anticipated or usual charges to be disclosed in consent forms signed by patients prior to surgical procedures."*

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Stumpf moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 46, after line 16, insert:

"Sec. 2. Minnesota Statutes 1992, section 60A.08, is amended by adding a subdivision to read:

Subd. 15. [RATE DISCLOSURE.] All health carriers as defined in section 62A.011 must disclose to all covered persons the specific amount of each rate increase that has resulted from statutory changes in Laws 1992, chapter 549, and from statutory changes resulting from Laws 1993. This disclosure must not include rate increases from medical inflation and must specifically include any statutory changes in chapters 62A, 62C, 62D, 62E, 62J, 62L, and 64B."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 85, line 21, before the semicolon, insert "*The health care services required to be covered under this clause must also be covered if rendered in a nonhospital environment, on the same basis as coverage provided for those same treatments or services if rendered in a hospital, provided, however, that this sentence must not be interpreted as expanding the types or extent of services covered*"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 109, line 25, before the period, insert "*subdivisions 1a, 2, 3, 4, 5, 6, 7, and 8*"

The motion prevailed. So the amendment was adopted.

Mr. Chandler moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 51, after line 15, insert:

“Sec. 9. [151.461] [GIFTS TO PRACTITIONERS PROHIBITED.]

It is unlawful for any manufacturer or wholesale drug distributor, or any agent thereof, to offer or give any gift of value to a practitioner. As used in this section, “gift” does not include:

(1) professional samples of a drug provided to a prescriber for free distribution to patients;

(2) items with a total combined retail value, in any calendar year, of not more than \$25;

(3) a payment to the sponsor of a medical conference, professional meeting, or other educational program, provided the payment is not made directly to a practitioner and is used solely for bona fide educational purposes;

(4) reasonable honoraria and payment of the reasonable expenses of a practitioner who serves on the faculty at a professional or educational conference or meeting;

(5) compensation for the substantial professional or consulting services of a practitioner in connection with a genuine research project; or

(6) salaries or other benefits paid to employees.

Sec. 10. Minnesota Statutes 1992, section 151.47, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] All wholesale drug distributors are subject to the requirements in paragraphs (a) to (e) (f).

(a) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying the required fee.

(b) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.

(d) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

(1) adequate storage conditions and facilities;

(2) minimum liability and other insurance as may be required under any applicable federal or state law;

(3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;

(4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period, which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;

(5) principals and persons, including officers, directors, primary shareholders, and key management executives, who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;

(6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;

(7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receiving, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;

(8) sufficient inspection procedures for all incoming and outgoing product shipments; and

(9) operations in compliance with all federal requirements applicable to wholesale drug distribution.

(e) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

(f) A wholesale drug distributor shall file an annual report with the board, in a form prescribed by the board, identifying all payment, honoraria, reimbursement, or other compensation authorized under section 151.461, clauses (3), (4), and (5), paid to practitioners in Minnesota during the preceding calendar year. The report shall identify the nature and value of any payments totaling \$100 or more to a particular practitioner during the year, and shall identify the practitioner. Reports filed under this provision are public data."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Morse	Reichgott
Bertram	Hanson	Kroening	Murphy	Riveness
Betzold	Hottinger	Larson	Neuville	Sams
Chandler	Johnson, D.E.	Lessard	Novak	Samuelson
Chmielewski	Johnson, D.J.	Luther	Pappas	Solon
Cohen	Johnson, J.B.	Marty	Pogemiller	Spear
Finn	Johnston	Metzen	Price	Stumpf
Flynn	Kelly	Mondale	Ranum	

Those who voted in the negative were:

Adkins	Berglin	Langseth	Olson	Stevens
Belanger	Day	Lesewski	Pariseau	Terwilliger
Benson, D.D.	Dille	McGowan	Piper	Wiener
Benson, J.E.	Kiscaden	Merriam	Robertson	
Berg	Knutson	Oliver	Runbeck	

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 53, after line 33, insert:

“Sec. 13. [REVIEW.]

The commissioner of commerce shall review the health care policies currently in use in the state, and prepare no more than ten but no less than five standardized health care policy forms to be used by all insurers, health service plans, or others subject to the jurisdiction of Minnesota Statutes, chapter 62A, 62C, 62E, or 62H. The commissioner shall recommend the legislative changes necessary to adopt the policy forms to the chairs of the senate commerce and consumer protection committee and the house of representatives financial institutions and insurance committee by February 1, 1994.”

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 89, lines 25 and 30, strike “one” and insert “2-1/2” and strike “point” and insert “points”

Page 89, lines 28 and 31, delete “1999” and insert “1996”

The motion did not prevail. So the amendment was not adopted.

Mr. Finn then moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 89, line 9, strike “65” and insert “75”

Page 89, line 30, strike “70” and insert “80”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 43, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Johnson, D.J.	Luther	Murphy
Beckman	Finn	Johnson, J.B.	Marty	Pappas
Betzold	Flynn	Kelly	Mondale	Pogemiller
Chandler	Janezich	Krentz	Morse	Samuelson

Those who voted in the negative were:

Adkins	Dille	Larson	Olson	Solon
Belanger	Frederickson	Lesewski	Pariseau	Spear
Benson, D.D.	Hanson	Lessard	Piper	Stevens
Benson, J.E.	Hottinger	McGowan	Price	Stumpf
Berg	Johnson, D.E.	Merriam	Ranum	Terwilliger
Berglin	Johnston	Metzen	Reichgott	Vickerman
Bertram	Kiscaden	Moe, R.D.	Robertson	Wiener
Cohen	Knutson	Novak	Runbeck	
Day	Langseth	Oliver	Sams	

The motion did not prevail. So the amendment was not adopted.

Mr. Luther moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 51, after line 15, insert:

“Sec. 9. Minnesota Statutes 1992, section 151.21, is amended to read:

151.21 [SUBSTITUTION.]

Subdivision 1. Except as provided in ~~subdivision 2~~ *this section*, it shall be unlawful for any pharmacist, assistant pharmacist, or pharmacist intern who dispenses prescriptions, drugs, and medicines to substitute an article different from the one ordered, or deviate in any manner from the requirements of an order or prescription without the approval of the prescriber.

Subd. 2. When a pharmacist receives a written prescription on which the prescriber has personally written in handwriting “dispense as written” or “D.A.W.,” or an oral prescription in which the prescriber has expressly indicated that the prescription is to be dispensed as communicated, the pharmacist shall dispense the brand name legend drug as prescribed.

Subd. 2 3. A pharmacist who receives a prescription for a brand name legend drug may, with the written or verbal consent of the purchaser, dispense any drug having the same generic name as the brand name drug prescribed if the prescriber has not personally written in handwriting “dispense as written” or “D.A.W.” on the prescription or, when an oral prescription is given, has not expressly indicated the prescription is to be dispensed as communicated. A pharmacist who receives a prescription marked “D.A.W.” or “dispense as written”, or an oral prescription indicating that the prescription is to be dispensed as communicated, may substitute for the prescribed brand name drug a generically equivalent drug product which is manufactured in the same finished dosage form having the same active ingredients and strength by the same manufacturer as the prescribed brand name drug. When a pharmacist receives a written prescription on which the prescriber has not personally written in handwriting “dispense as written” or “D.A.W.,” or an oral prescription in which the prescriber has not expressly indicated that the

prescription is to be dispensed as communicated, and there is available in the pharmacist's stock a less expensive generically equivalent drug that, in the pharmacist's professional judgement, is safely interchangeable with the prescribed drug, then the pharmacist shall, after disclosing the substitution to the purchaser, dispense the generic drug, unless the purchaser objects. A pharmacist may also substitute pursuant to the oral instructions of the prescriber. A pharmacist may not substitute a generically equivalent drug product unless, in the pharmacist's professional judgment, the substituted drug is therapeutically equivalent and interchangeable to the prescribed drug. A pharmacist shall notify the purchaser if the pharmacist is dispensing a drug other than the brand name drug prescribed.

Subd. 3 4. A pharmacist dispensing a drug under the provisions of subdivision 2 3 shall not dispense a drug of a higher retail price than that of the brand name drug prescribed. If more than one safely interchangeable generic drug is available in a pharmacist's stock, then the pharmacist shall dispense the least expensive alternative. Any difference between acquisition cost to the pharmacist of the drug dispensed and the brand name drug prescribed shall be passed on to the purchaser.

Subd. 5. Nothing in this section requires a pharmacist to substitute a generic drug if the substitution will make the transaction ineligible for third-party reimbursement.

Subd. 6. A pharmacist who dispenses a generically equivalent drug pursuant to this section has no greater liability for selecting the dispensed drug than would be incurred if the prescription had been written in the generic name of the drug prescribed.

Subd. 7. When a pharmacist dispenses a brand name legend drug and, at that time, a less expensive generically equivalent drug is also available in the pharmacist's stock, the pharmacist shall disclose to the purchaser that a generic drug is available."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Lessard	Murphy	Riveness
Beckman	Janezich	Luther	Novak	Sams
Betzold	Johnson, D.J.	Marty	Olson	Samuelson
Chandler	Johnson, J.B.	Merriam	Pappas	Solon
Chmielewski	Kelly	Metzen	Pogemiller	Spear
Cohen	Krentz	Moe, R.D.	Price	Stumpf
Dille	Kroening	Mondale	Ranum	Vickerman
Finn	Larson	Morse	Reichgott	

Those who voted in the negative were:

Adkins	Bertram	Kiscaden	Oliver	Terwilliger
Belanger	Day	Knutson	Pariseau	Wiener
Benson, D.D.	Flynn	Langseth	Piper	
Benson, J.E.	Frederickson	Lesewski	Robertson	
Berg	Johnson, D.E.	McGowan	Runbeck	
Berglin	Johnston	Neuville	Stevens	

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1178, as amended pursuant to Rule 49, adopted by the Senate May 3, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 900.)

Page 93, line 18, before the period, insert "*that was sold before June 1, 1993*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1178 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Morse	Robertson
Anderson	Finn	Krentz	Murphy	Sams
Beckman	Flynn	Kroening	Novak	Solon
Belanger	Hanson	Langseth	Oliver	Spear
Benson, D.D.	Hottinger	Lessard	Pappas	Stumpf
Benson, J.E.	Janezich	Luther	Piper	Terwilliger
Berglin	Johnson, D.E.	Marty	Pogemiller	Vickerman
Betzold	Johnson, D.J.	McGowan	Price	Wiener
Chandler	Johnson, J.B.	Metzen	Ranum	
Chmielewski	Kelly	Moe, R.D.	Reichgott	
Cohen	Kiscaden	Mondale	Riveness	

Those who voted in the negative were:

Berg	Frederickson	Lesewski	Olson	Samuelson
Bertram	Johnston	Merriam	Pariseau	Stevens
Day	Larson	Neuville	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1749:

H.F. No. 1749: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing state bonding; appropriating money; amending Minnesota Statutes, section 16B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124C; and 137.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kalis, Solberg, Reding, Trimble and Bishop have been appointed as such committee on the part of the House.

House File No. 1749 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1993

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1749, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

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.

MOTIONS AND RESOLUTIONS – CONTINUED

Ms. Anderson moved that S.F. No. 236 be taken from the table. The motion prevailed.

S.F. No. 236: A bill for an act relating to domestic abuse; requiring a report on victims of domestic abuse and eligibility for unemployment compensation benefits.

Ms. Anderson moved that the Senate do not concur in the amendments by the House to S.F. No. 236, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 236: Ms. Anderson, Mr. Frederickson and Ms. Pappas.

H.F. No. 1749: Messrs. Merriam, Vickerman, Larson, Riveness and Kelly.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Luther moved that Senate Resolution No. 34 be taken from the table. The motion prevailed.

Senate Resolution No. 34: A Senate resolution adopting permanent rules of the Senate.

Mr. Luther moved to amend Senate Resolution No. 34 as follows:

Page 1, line 15, strike the second “2”

Page 1, line 16, strike “o’clock p.m.” and insert “8:30 a.m.”

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend Senate Resolution No. 34 as follows:

Page 23, line 1, after “SUPPLIES” insert “AND SERVICES”

Page 23, lines 3 and 4, after “supplies” insert “and services”

Page 23, after line 4, insert:

“Long distance telephone services paid for by the Senate must be used only for Senate-related business.”

By the 15th day of April, July, October, and January of each year, the Secretary of the Senate shall submit a detailed report of Senate expenditures during the previous quarter to the Committee on Rules and Administration.”

The motion prevailed. So the amendment was adopted.

Ms. Wiener moved to amend Senate Resolution No. 34 as follows:

Page 1, lines 19 and 21, strike “He” and insert “The President”

Page 1, line 31, strike “his” and insert “the Chair’s”

Page 2, line 33, strike “He” and insert “The Secretary”

Page 6, lines 5 and 6, strike “he” and insert “the member”

Page 11, line 10, strike “he” and insert “the President”

Page 12, line 4, strike “. He” and insert “and”

Page 16, line 21, strike “his” and insert “the”

Page 21, line 7, strike “him as” and insert “the” and strike “He” and insert “The Secretary”

Page 21, line 9, strike “his” and insert “the Secretary’s”

Page 21, line 10, strike “his” and insert “the Secretary’s” and strike “he” and insert “the Secretary”

Page 21, line 11, strike “He” and insert “The Secretary”

Page 22, line 18, strike “he” and insert “the Secretary”

Page 23, line 7, strike "duties assigned to him" and insert "*assigned duties*"

Page 23, line 14, strike "his" and insert "*the*" and after "office" insert "*of Sergeant*"

Page 25, line 8, strike "his" and insert "*the lobbyist's*" and strike "he" and insert "*the lobbyist*"

Page 25, line 12, strike "he" and insert "*the lobbyist*" and strike "his" and insert "*the lobbyist's*"

Page 25, line 16, strike "he" and insert "*the lobbyist*"

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend Senate Resolution No. 34 as follows:

Page 5, line 36, delete "*Madam*" and insert "*Ms.*"

The motion did not prevail. So the amendment was not adopted.

Mr. Finn moved to amend Senate Resolution No. 34 as follows:

Page 19, lines 1 and 2, strike "Notwithstanding Minnesota Statutes, section 3.055,"

The motion prevailed. So the amendment was adopted.

Mr. Dille moved to amend Senate Resolution No. 34 as follows:

Page 26, after line 10, insert:

"Members shall adhere to the highest standard of ethical conduct as embodied in the Minnesota Constitution, state law, and these rules.

A member shall not publish or distribute written material if the member knows or has reason to know that the material includes any statement that is false or clearly misleading, concerning a public policy issue or concerning the member's or another member's voting record or position on a public policy issue."

The motion prevailed. So the amendment was adopted.

Mr. Dille then moved to amend Senate Resolution No. 34 as follows:

Page 17, line 9, after the period, insert "*Nothing prohibits a member of the minority group from serving as chair or vice chair of a committee, subcommittee, division, or commission.*"

The motion prevailed. So the amendment was adopted.

Mr. Dille then moved to amend Senate Resolution No. 34 as follows:

Page 22, after line 26, insert:

"Beginning January 2, 1997, the assignment of a member's seating position in the Senate Chamber shall be based solely on the member's seniority, without regard to whether the member is a member of the majority group or minority group."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Day	Kiscaden	Neuville	Robertson
Belanger	Dille	Knutson	Oliver	Runbeck
Benson, D.D.	Frederickson	Larson	Olson	Spear
Benson, J.E.	Johnson, D.E.	Lesewski	Pappas	Stevens
Berg	Johnston	Lessard	Pariseau	Terwilliger
Betzold	Kelly	McGowan	Riveness	Wiener

Those who voted in the negative were:

Adkins	Hanson	Luther	Novak	Samuelson
Berglin	Hottinger	Marty	Piper	Stumpf
Bertram	Janezich	Merriam	Pogemiller	Vickerman
Chandler	Johnson, J.B.	Metzen	Price	
Cohen	Krentz	Moe, R.D.	Ranum	
Finn	Kroening	Morse	Reichgott	
Flynn	Langseth	Murphy	Sams	

The motion did not prevail. So the amendment was not adopted.

Mr. Dille then moved to amend Senate Resolution No. 34 as follows:

Page 17, after line 20, insert:

"A chair of any Senate standing committee, committee division, or committee subcommittee appointed after January 1, 1993, shall not serve in that position longer than three consecutive terms of office."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Larson	Neuville	Robertson
Benson, D.D.	Frederickson	Lesewski	Oliver	Runbeck
Benson, J.E.	Johnson, D.E.	Lessard	Olson	Sams
Berg	Johnston	Luther	Olson	Stevens
Betzold	Kiscaden	Marty	Pappas	Terwilliger
Day	Knutson	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Flynn	Kroening	Piper	Solon
Anderson	Hanson	Langseth	Pogemiller	Spear
Berglin	Hottinger	Merriam	Price	Stumpf
Bertram	Janezich	Metzen	Ranum	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Reichgott	Wiener
Cohen	Kelly	Morse	Riveness	
Finn	Krentz	Murphy	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Dille then moved to amend Senate Resolution No. 34 as follows:

Page 24, strike lines 18 to 20 and insert "The Secretary of the Senate shall compile and distribute to the public a directory of reporters accredited to report from the Senate floor. The directory must include each reporter's picture and news organization and a brief biography. The Secretary must issue each accredited reporter an identification badge showing the reporter's name and news organization."

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend the second Luther amendment to Senate Resolution No. 34, adopted by the Senate May 3, 1993, as follows:

Page 1, after line 5, insert:

“Page 23, line 4, after the period, insert *“The Secretary shall adopt administrative controls to ensure that each member is accountable for the member’s own long distance telephone calls and that Senate telephones are used only for Senate business.”*”

Page 1, delete lines 7 and 8

Page 1, line 9, delete “By” and insert ““By”

The motion prevailed. So the amendment to the amendment was adopted.

Ms. Runbeck moved to amend Senate Resolution No. 34 as follows:

Page 19, line 14, after the period, insert *“If the three-day notice requirement cannot be met, known proponents and opponents of the bill shall be given simultaneous notice of the meeting as soon as practicable.”*

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved the adoption of Senate Resolution No. 34, as amended.

The question was taken on the adoption of the resolution, as amended.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Murphy	Sams
Anderson	Finn	Kroening	Novak	Samuelson
Belanger	Flynn	Langseth	Oliver	Solon
Benson, D.D.	Frederickson	Larson	Olson	Spear
Benson, J.E.	Hanson	Lesewski	Pappas	Stevens
Berg	Hottinger	Lessard	Pariseau	Stumpf
Berglin	Johnson, D.E.	Luther	Piper	Terwilliger
Bertram	Johnson, D.J.	Marty	Price	Vickerman
Betzold	Johnson, J.B.	McGowan	Ranum	Wiener
Chandler	Johnson	Merriam	Reichgott	
Chmielewski	Kelly	Metzen	Riveness	
Cohen	Kiscaden	Moe, R.D.	Robertson	
Day	Knutson	Morse	Runbeck	

Mr. Janezich voted in the negative.

The motion prevailed. So the resolution, as amended, was adopted.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 4 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 4: A Senate concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

Ms. Wiener moved to amend Senate Concurrent Resolution No. 4 as follows:

Page 10, line 11, strike “his”

Page 11, line 2, strike “his” and insert *“the Governor’s”*

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend Senate Concurrent Resolution No. 4 as follows:

Page 4, after line 10, insert:

"A bill that grants new authority to adopt administrative rules or changes existing authority to adopt administrative rules shall be referred to the committees of the Senate and House of Representatives charged with responsibility for legislation that relates to administrative rulemaking. Each bill shall include a specific and detailed statement of the intent of each grant of rulemaking authority contained in the bill, including: (1) the outcome expected from the adoption of the rule; (2) the issues that should be addressed by the rules; and (3) a date by which the agency shall adopt the rules."

Mr. Benson, D.D. then moved to amend the Benson, D.D. amendment to Senate Concurrent Resolution No. 4 as follows:

Page 1, line 6, delete everything after "shall"

Page 1, delete lines 7 and 8

Page 1, line 9, delete "bill shall"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Benson, D.D. amendment, as amended.

The roll was called, and there were yeas 54 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Krentz	Moe, R.D.	Riveness
Anderson	Flynn	Kroening	Murphy	Robertson
Belanger	Frederickson	Langseth	Novak	Runbeck
Benson, D.D.	Hottinger	Larson	Oliver	Sams
Benson, J.E.	Janezich	Lesewski	Olson	Solon
Berg	Johnson, D.E.	Lessard	Pappas	Spear
Bertram	Johnson, J.B.	Luther	Pariseau	Stumpf
Betzold	Johnston	Marty	Pogemiller	Terwilliger
Chandler	Kelly	McGowan	Price	Vickerman
Day	Kiscaden	Merriam	Ranum	Wiener
Dille	Knutson	Metzen	Reichgott	

Ms. Berglin, Mr. Johnson, D.J. and Ms. Piper voted in the negative.

The motion prevailed. So the Benson, D.D. amendment, as amended, was adopted.

Mr. Knutson moved to amend Senate Concurrent Resolution No. 4 as follows:

Page 11, line 26, after "committee" insert "and congressional district caucuses"

Page 11, after line 31, insert:

"The members of each congressional district caucus shall be the representatives and senators who have constituents in a congressional district with an open regent seat. Members shall determine the number of persons and the person or persons to be recommended for each open congressional district seat."

Page 11, line 33, after "open" insert "at-large"

Page 11, line 35, before the period, insert "in the joint committee and the congressional district caucuses"

Page 11, line 36, after "committee" insert "*or congressional district caucus*"

Page 12, lines 1 and 5, after "committee" insert "*or congressional district caucus*"

Page 12, line 6, after the period, insert "*Votes cast by members of a congressional district caucus shall be weighted to reflect the number of constituents each member represents within the congressional district.*"

Page 12, line 10, before "shall" insert "*and the congressional district caucus*"

The motion did not prevail. So the amendment was not adopted.

Mr. Moe, R.D. moved the adoption of Senate Concurrent Resolution No. 4, as amended.

The question was taken on the adoption of the resolution, as amended.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Riveness
Anderson	Dille	Krentz	Murphy	Robertson
Belanger	Finn	Kroening	Novak	Runbeck
Benson, D.D.	Flynn	Larson	Oliver	Sams
Benson, J.E.	Frederickson	Lesewski	Olson	Spear
Berg	Hanson	Lessard	Pappas	Stevens
Berglin	Hottinger	Luther	Pariseau	Stumpf
Bertram	Johnson, D.E.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	

Mr. Janezich voted in the negative.

The motion prevailed. So the resolution, as amended, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Langseth and Stumpf introduced—

S.F. No. 1625: A bill for an act relating to taxation; providing for sales tax rebates for retailers in border city enterprise zones; appropriating money; amending Minnesota Statutes 1992, section 469.171, subdivision 6, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 8:30 to 9:15 a.m. Mr. Novak was excused from the Session of today from 8:30 to 9:30 a.m. Mr. Kelly was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Langseth and Ms. Olson were excused from the Session of today from 8:30 to 9:45 a.m. Ms. Reichgott was excused from the Session of today from 8:30

to 10:15 a.m. Mr. Laidig was excused from the Session of today at 1:00 p.m. Mr. Sams was excused from the Session of today from 2:00 to 2:50 p.m. Mr. Mondale was excused from the Session of today at 3:50 p.m. Mr. Beckman was excused from the Session of today at 4:55 p.m. Mr. Johnson, D.J. was excused from the Session of today at 5:10 p.m. Mr. Neuville was excused from the Session of today at 5:35 p.m. Mr. Solon was excused from the Session of today at 6:10 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Tuesday, May 4, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTIETH DAY

St. Paul, Minnesota, Tuesday, May 4, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. L. Douglas Throckmorton.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Knutson	Moe, R.D.	Reichgott
Anderson	Finn	Krentz	Mondale	Riveness
Beckman	Flynn	Kroening	Morse	Robertson
Belanger	Frederickson	Laidig	Murphy	Runbeck
Benson, D.D.	Hanson	Langseth	Novak	Sams
Benson, J.E.	Hottinger	Larson	Oliver	Samuelson
Berg	Janezich	Lesewski	Olson	Solon
Bertram	Johnson, D.E.	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Luther	Pariseau	Stevens
Chandler	Johnson, J.B.	Marty	Piper	Stumpf
Chmielewski	Johnston	McGowan	Pogemiller	Terwilliger
Cohen	Kelly	Merriam	Price	Vickerman
Day	Kiscaden	Metzen	Ranum	Wiener

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.

April 30, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 270, 483 and 568.

Warmest regards,
Arne H. Carlson, Governor

May 3, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	846	60	3:23 p.m. April 30	April 30
	801	61	3:24 p.m. April 30	April 30
	79	62	3:45 p.m. April 30	April 30
	461	63	3:27 p.m. April 30	April 30
	70	64	3:28 p.m. April 30	April 30
	661	65	3:03 p.m. April 30	April 30
	806	66	3:32 p.m. April 30	April 30
	1423	67	3:35 p.m. April 30	April 30
270		68	3:25 p.m. April 30	April 30
483		69	3:05 p.m. April 30	April 30
568		70	3:22 p.m. April 30	April 30

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1201: A bill for an act relating to health occupations and professions; board of psychology; extending deadline by which previously qualified persons may file a declaration of intent to seek licensure as a licensed psychologist without further examination; requiring the board to issue notices of extension; modifying reciprocity licensing requirement; providing for disciplinary actions; consolidating and modifying enforcement remedies; providing penalties; amending Minnesota Statutes 1992, sections 103I.345, subdivision 1; 116.75; 116.76, subdivision 1; 116.77; 116.82, subdivision 3; 144.71, subdivision 1; 145A.07, subdivision 1; 148.89, by adding a subdivision; 148.905, subdivision 1; 148.921, subdivisions 2 and 3; 148.925, subdivision 1; 148.98; 326.37, subdivision 1; 327.16, subdivision 6; and 327.20, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; and 148; repealing Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 148.95; 157.081; 326.43; 326.53, subdi-

vision 2; 326.63; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2.

There has been appointed as such committee on the part of the House:

Asch, Pugh and Davids.

Senate File No. 1201 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1993

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 546:

H.F. No. 546: A bill for an act relating to outdoor recreation; prohibiting motor sports areas within the Dorer Memorial Hardwood Forest without county and township board approval.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Waltman, Munger and Pauly have been appointed as such committee on the part of the House.

House File No. 546 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 30, 1993

Mr. Murphy moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 546, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 287:

H.F. No. 287: A bill for an act relating to waste management; encouraging local government units to use purchasing techniques to reduce waste and develop markets for recycled products; prohibiting burning and burial of harmful materials on farms; defining packaging; prohibiting disposal of unprocessed mixed municipal solid waste; extending the time to construct certain projects with grant money; authorizing counties to count waste reduction toward 1996 recycling goals; providing for county management and service contracts; requiring local government units to separately account for all revenue and spending related to waste management; requiring collectors of commercial waste to disclose where the waste is deposited; prohibiting fluorescent and high intensity discharge lamps in solid waste; clarifying that organized waste collection is one of several tools for cities and counties to use

to collect waste; requiring reporting of tipping fee schedules at all waste facilities; requiring owners or operators of waste facilities that are publicly financed to account for charges and expenditures related to the facilities; regulating lamp recycling facilities; requiring electric utilities to encourage use of fluorescent and high intensity discharge lamps and to collect spent lamps; requiring a study of such lamps; extending by one year the solid waste field citation pilot program; providing for the postponement of certain waste collection fees; requiring a certain number of base units for homesteaded multiunit dwellings; clarifying the effects of the repeal of the metropolitan landfill siting process; providing for reports; amending Minnesota Statutes 1992, sections 16B.121; 16B.122, by adding a subdivision; 17.135; 115.071, subdivision 1; 115A.03, by adding a subdivision; 115A.034; 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.551, subdivisions 2a and 4; 115A.552, subdivision 2; 115A.557, subdivision 3; 115A.56; 115A.916; 115A.929; 115A.932, subdivision 1; 115A.94, subdivisions 5 and 6; 115A.941; 115A.9651; 115A.981; 116.78, by adding a subdivision; 116.92, subdivision 7; 216B.241, by adding a subdivision; 325E.1151, subdivision 1; 325E.12; 325E.125, subdivision 1; 325E.1251; 400.04, subdivisions 3 and 4; 400.08, subdivision 3; 473.149, subdivision 6; 473.803, subdivision 3; 473.8441, subdivision 5; 473.846; and 473.848, subdivisions 2 and 3; Laws 1991, chapter 347, article 1, sections 15, subdivisions 1 and 6; and 20; Laws 1992, chapter 593, article 1, section 55; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Wagenius, Ozment, Rukavina, Hausman and Pauly have been appointed as such committee on the part of the House.

House File No. 287 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1993

Ms. Johnson, J.B. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 287, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 299, 1445, 1133, 1225, 10, 1114 and 571.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 299: A bill for an act relating to elections; changing requirements and procedures for maintaining precinct boundary data; appropriating money; amending Minnesota Statutes 1992, sections 204B.14, subdivisions 5 and 6; and 204B.146.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 410, now on General Orders.

H.F. No. 1445: A bill for an act relating to industrial development; authorizing a grant to a nonprofit organization to promote expanding flexible collaborative manufacturing networks statewide.

Referred to the Committee on Jobs, Energy and Community Development.

H.F. No. 1133: A bill for an act relating to energy; directing the public service department to evaluate and implement a policy to promote the use of motor vehicles powered by alternate fuels; appropriating money; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 834, now on General Orders.

H.F. No. 1225: A bill for an act relating to agriculture; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; exempting certain pesticides from the ACRRA surcharge; requiring a report; appropriating money; repealing the hazardous substance labeling act; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 18B.135; 18B.14, subdivision 2; 18B.26, subdivision 3; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18E.03, subdivisions 2 and 5; 21.85, subdivision 10; 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; 18C.215, subdivision 3; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; 24.42; 25.46; and 25.47.

Referred to the Committee on Finance.

H.F. No. 10: A bill for an act relating to education; establishing a youth apprenticeship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Finance.

H.F. No. 1114: A bill for an act relating to game and fish; stamp design; training of hunting dogs; clothing requirements; raccoon season; rough fish taking by nonresidents; muskie size limits; taking of mussels; advance of matching funds; financing waterfowl development; defining "undressed bird"; regulating the taking of deer; regulating seasons on muskrat, mink, otter, and beaver; required license to take and condition of fish brought into the state from Canada; authorizing suspension of requirements upon action by Canadian authorities; amending Minnesota Statutes 1992, sections 84.085, by adding a subdivision; 97A.015, subdivision 49, and by adding a subdivision;

97A.045, subdivision 7; 97A.091, subdivision 2; 97A.531; 97B.005, subdivisions 2 and 3; 97B.041; 97B.071; 97B.621, subdivision 1; 97B.911; 97B.915; 97B.921; 97S.925; 97C.375; 97C.405; and 97C.701, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1992, sections 97A.541; 97C.701, subdivisions 3, 4, and 5; 97C.705; and 97C.711.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 669.

H.F. No. 571: A bill for an act relating to education; extending dates for per pupil revenue option; authorizing certain contracts with school board members and with the spouses of school district employees; amending Minnesota Statutes 1992, sections 124A.029, subdivision 4; 127.15; and 471.88, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 511, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1402 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1402			1363		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1402 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1402 and insert the language after the enacting clause of S.F. No. 1363, the second engrossment; further, delete the title of H.F. No. 1402 and insert the title of S.F. No. 1363, the second engrossment.

And when so amended H.F. No. 1402 will be identical to S.F. No. 1363, and further recommends that H.F. No. 1402 be given its second reading and substituted for S.F. No. 1363, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1107 for comparison with companion Senate File, reports the

following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1107	1467				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1107 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1107 and insert the language after the enacting clause of S.F. No. 1467, the first engrossment; further, delete the title of H.F. No. 1107 and insert the title of S.F. No. 1467, the first engrossment.

And when so amended H.F. No. 1107 will be identical to S.F. No. 1467, and further recommends that H.F. No. 1107 be given its second reading and substituted for S.F. No. 1467, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 988 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
988	878				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 988 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 988 and insert the language after the enacting clause of S.F. No. 878, the first engrossment; further, delete the title of H.F. No. 988 and insert the title of S.F. No. 878, the first engrossment.

And when so amended H.F. No. 988 will be identical to S.F. No. 878, and further recommends that H.F. No. 988 be given its second reading and substituted for S.F. No. 878, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1524 for comparison with companion Senate File, reports the

following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1524	1419				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1524 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1524 and insert the language after the enacting clause of S.F. No. 1419, the first engrossment; further, delete the title of H.F. No. 1524 and insert the title of S.F. No. 1419, the first engrossment.

And when so amended H.F. No. 1524 will be identical to S.F. No. 1419, and further recommends that H.F. No. 1524 be given its second reading and substituted for S.F. No. 1419, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 962 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
962	814				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 962 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 962 and insert the language after the enacting clause of S.F. No. 814, the first engrossment; further, delete the title of H.F. No. 962 and insert the title of S.F. No. 814, the first engrossment.

And when so amended H.F. No. 962 will be identical to S.F. No. 814, and further recommends that H.F. No. 962 be given its second reading and substituted for S.F. No. 814, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1579 for comparison with companion Senate File, reports the

following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1579	1487				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1579 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1579 and insert the language after the enacting clause of S.F. No. 1487, the second engrossment; further, delete the title of H.F. No. 1579 and insert the title of S.F. No. 1487, the second engrossment.

And when so amended H.F. No. 1579 will be identical to S.F. No. 1487, and further recommends that H.F. No. 1579 be given its second reading and substituted for S.F. No. 1487, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1094 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1094	1134				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1094 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1094 and insert the language after the enacting clause of S.F. No. 1134, the first engrossment; further, delete the title of H.F. No. 1094 and insert the title of S.F. No. 1134, the first engrossment.

And when so amended H.F. No. 1094 will be identical to S.F. No. 1134, and further recommends that H.F. No. 1094 be given its second reading and substituted for S.F. No. 1134, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 978 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be

given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
978				910	

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1058 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1058				1532	

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1058 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1058 and insert the language after the enacting clause of S.F. No. 1532, the second engrossment; further, delete the title of H.F. No. 1058 and insert the title of S.F. No. 1532, the second engrossment.

And when so amended H.F. No. 1058 will be identical to S.F. No. 1532, and further recommends that H.F. No. 1058 be given its second reading and substituted for S.F. No. 1532, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 735 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
735				551	

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 735 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 735 and insert the language after the enacting clause of S.F. No. 551, the second engrossment; further, delete the title of H.F. No. 735 and insert the title of S.F. No. 551, the second engrossment.

And when so amended H.F. No. 735 will be identical to S.F. No. 551, and further recommends that H.F. No. 735 be given its second reading and substituted for S.F. No. 551, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 574 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
574	519				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 574 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 574 and insert the language after the enacting clause of S.F. No. 519, the first engrossment; further, delete the title of H.F. No. 574 and insert the title of S.F. No. 519, the first engrossment.

And when so amended H.F. No. 574 will be identical to S.F. No. 519, and further recommends that H.F. No. 574 be given its second reading and substituted for S.F. No. 519, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1151 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1151	1193				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1151 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1151 and insert the language after the enacting clause of S.F. No. 1193; further, delete the title of H.F. No. 1151 and insert the title of S.F. No. 1193, as introduced.

And when so amended H.F. No. 1151 will be identical to S.F. No. 1193, and further recommends that H.F. No. 1151 be given its second reading and substituted for S.F. No. 1193, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 931 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
931	771				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 931 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 931 and insert the language after the enacting clause of S.F. No. 771, the fifth engrossment; further, delete the title of H.F. No. 931 and insert the title of S.F. No. 771, the fifth engrossment.

And when so amended H.F. No. 931 will be identical to S.F. No. 771, and further recommends that H.F. No. 931 be given its second reading and substituted for S.F. No. 771, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1402, 1107, 988, 1524, 962, 1579, 1094, 978, 1058, 735, 574, 1151 and 931 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram moved that the name of Mr. Mondale be added as a co-author to S.F. No. 771. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Mondale be added as a co-author to S.F. No. 832. The motion prevailed.

Mr. Cohen moved that the name of Mr. Mondale be added as a co-author to S.F. No. 859. The motion prevailed.

Mr. Price introduced—

Senate Resolution No. 44: A Senate resolution congratulating Park High School, ISD 833, of Cottage Grove, Minnesota, for being honored by the Governor's Youth Service Recognition

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 521 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 521: A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144.

Mr. Hottinger moved to amend S.F. No. 521 as follows:

Pages 5 to 8, delete sections 3 to 6 and insert:

“Sec. 3. [144.442] [TESTING IN SCHOOL CLINICS.]

Subdivision 1. [ADMINISTRATION; NOTIFICATION.] In the event that the commissioner designates a school or school district under section 2, subdivision 2, the school or school district or board of health may administer Mantoux screening tests to some or all persons enrolled in or employed by the designated school or school district. Any Mantoux screening provided under this section shall be under the direction of a licensed physician.

Prior to administering the Mantoux test to such persons, the school or school district or board of health shall inform in writing such persons and parents or guardians of minor children to whom the test may be administered, of the following:

- (1) that there has been an occurrence of active tuberculosis or evidence of a higher than expected prevalence of tuberculosis infection in that school or school district;*
- (2) that screening is necessary to avoid the spread of tuberculosis;*
- (3) the manner by which tuberculosis is transmitted;*
- (4) the risks and possible side effects of the Mantoux test;*
- (5) the risks from untreated tuberculosis to the infected person and others;*
- (6) the ordinary course of further diagnosis and treatment if the Mantoux test is positive;*
- (7) that screening has been scheduled; and*
- (8) that no person will be required to submit to the screening if he or she submits a statement of objection due to the conscientiously held beliefs of the person employed or of the parent or guardian of a minor child.*

Subd. 2. [CONSENT OF MINORS.] Minors may give consent for testing as set forth in sections 144.341 to 144.347.

Subd. 3. [SCREENING OF MINORS.] Prior to administering a Mantoux test to a minor, the school or school district or board of health shall prepare a form for signature in which the parent or guardian shall consent or submit a statement of objection to the test. The parent or guardian of a minor child shall return a signed form to the school or school district or board of health which is conducting the screening indicating receipt of the notice and consent or objection to the administration of the test. In the event that the form with a signed consent or objection is not returned, the school or school district or board of health may undertake such steps as are reasonable to secure such consent or objection. If after such steps the school or school district or board of health chooses to screen the minor without consent, it shall send a notice of intent to test by certified mail, restricted delivery with return receipt, to the address given to the school or school district by the parent or guardian for emergency contact of the parent or guardian. The accuracy of the address shall be checked with the person enrolled, if possible. Placing notice as specified in this subdivision shall constitute service. Reasonable efforts shall be made to provide this notice in a language understood by the parent or guardian. If this notice cannot be delivered or a form with a signed consent or objection is not returned, the school or school district or board of health shall check the permanent medical record required by section 144.29 to determine if the parent or guardian previously withheld consent to immunizations or other medical treatment because of conscientiously held beliefs. If there is such a statement on file or if the school district otherwise has notice of such a statement, the school or school district or board of health shall not administer the Mantoux test unless the consent of the parent or guardian is obtained. If there is no such statement in the permanent medical record or known to exist otherwise, the school or school district or board of health may administer the Mantoux test at the time and place specified in the notice unless medically contraindicated. The school or school district or board of health shall document in the permanent medical record its efforts to notify the parent or guardian of the minor child, and its efforts to check the permanent medical records.

Subd. 4. [CONSENT FOR SUBSEQUENT TESTING OR TREATMENT.] In the event the Mantoux test is positive, no further diagnosis of or treatment for tuberculosis in a minor child shall be undertaken without the signed consent of the parent or guardian of the minor child.

Sec. 4. [144.443] [TUBERCULOSIS HEALTH THREAT TO OTHERS.]

A "health threat to others" as defined in section 144.4172, subdivision 8, includes a person who, although not currently infectious, has failed to complete a previously prescribed course of tuberculosis therapy, demonstrates an inability or unwillingness to initiate or complete, or shows an intent to fail to complete, a prescribed course of tuberculosis drug therapy, if that failure could lead to future infectiousness.

Sec. 5. [144.444] [TUBERCULOSIS EMERGENCY HOLD.]

A temporary emergency hold under section 144.4182 may be placed on a person who is a health threat to others when there is reasonable cause to believe that the person may be unlocatable for the purposes of applying the procedures described in sections 144.4171 to 144.4186, or when medical or epidemiologic evidence suggests that the person is or may become infectious before the conclusion of court proceedings and appeals.

Sec. 6. [144.445] [TUBERCULOSIS SCREENING IN CORRECTIONAL INSTITUTIONS AND FACILITIES.]

Subdivision 1. [SCREENING OF INMATES.] All persons detained or confined for seven consecutive days or more in facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health. Administration of the Mantoux test or chest roentgenogram (X-ray) must take place on or before the seventh day of detention or confinement.

Subd. 2. [SCREENING OF EMPLOYEES.] All employees of facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis before employment in the facility and annually thereafter, with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health.

Subd. 3. [EXCEPTIONS.] Subdivisions 1 and 2 do not apply to:

(1) a person who is detained or confined in a juvenile temporary holdover facility, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(2) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative Mantoux test performed on the person (i) within three months prior to intake into the facility; or (ii) within 12 months prior to intake into the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative Mantoux test, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(3) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility has a written record of (i) a history of adequately treated active tuberculosis; (ii) compliance with currently prescribed tuberculosis therapy or preventive therapy; or (iii) completion of a course of preventive therapy, provided the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) to rule out active tuberculosis;

(4) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative chest roentgenogram (X-ray) (i) within six months; or (ii) within 12 months prior to intake in the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative chest roentgenogram (X-ray), provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis,

or other health condition that may require a new chest roentgenogram (X-ray) to rule out active tuberculosis;

(5) an employee with a record of either a past positive Mantoux test reaction or active tuberculosis who is currently completing or has a documented history of completing a course of tuberculosis therapy or preventive therapy, provided the employee has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(6) an employee with a positive or significant Mantoux test reaction in preemployment screening who does not complete a course of preventive therapy may be exempt from annual Mantoux testing or other screening. This determination shall be made by the commissioner of health based on currently accepted public health standards and the person's health status; and

(7) the commissioner may exempt additional employees or persons detained or confined in facilities operated, licensed, or inspected by the department of corrections based on currently accepted public health standards or the person's health status.

Subd. 4. [REPORTS.] The administrator or other person having general control and supervision of a facility operated, licensed, or inspected by the department of corrections shall provide the commissioner with any reports determined by the commissioner of health to be necessary to evaluate the need for further tuberculosis screening or control efforts in a facility or facilities.

Subd. 5. [WAIVER.] The commissioner may waive any portion of the requirements of subdivisions 1 to 4 if the commissioner of health determines that it is not necessary to protect the public health or if the screening may have a detrimental effect on a person's health status.

Sec. 7. [REPORT.]

The commissioner, after consulting with representatives of local health departments, affected school districts, corrections, and medical providers shall determine the costs associated with tuberculosis control measures, and recommend to the legislature by February 1, 1994, mechanisms to provide adequate ongoing funding for tuberculosis control activities.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 are effective the day following final enactment. Section 6 is effective January 1, 1994."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 521 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Riveness
Anderson	Dille	Krentz	Mondale	Robertson
Beckman	Finn	Kroening	Morse	Runbeck
Belanger	Flynn	Langseth	Murphy	Sams
Benson, D.D.	Frederickson	Larson	Oliver	Samuelson
Benson, J.E.	Hanson	Lesewski	Olson	Solon
Berg	Hottinger	Lessard	Pappas	Spear
Bertram	Johnson, D.E.	Luther	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Terwilliger
Chandler	Johnston	McGowan	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1297 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1297: A bill for an act relating to occupations and professions; board of architecture, engineering, land surveying, landscape architecture, and certified interior designer; establishing a procedure for issuance, denial, revocation, and suspension of licenses; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Robertson
Anderson	Dille	Krentz	Morse	Runbeck
Beckman	Finn	Kroening	Murphy	Sams
Belanger	Flynn	Larson	Oliver	Samuelson
Benson, D.D.	Frederickson	Lesewski	Olson	Solon
Benson, J.E.	Hanson	Lessard	Pappas	Spear
Berg	Hottinger	Luther	Pariseau	Stevens
Bertram	Johnson, D.E.	Marty	Piper	Stumpf
Betzold	Johnson, J.B.	McGowan	Price	Terwilliger
Chandler	Johnston	Metzen	Ranum	Vickerman
Cohen	Kiscaden	Moe, R.D.	Riveness	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1114 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1114: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1992, section 80C.17, subdivisions 1 and 5.

Mr. Luther moved to amend S.F. No. 1114 as follows:

Page 1, line 21, delete "*the effective date*" and insert "*August 1, 1993*" and delete "*July 1, 1993*," and insert "*that date*"

Page 1, line 22, delete "*the effective date*" and insert "*August 1, 1993*,"

The motion prevailed. So the amendment was adopted.

S.F. No. 1114 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Metzen	Riveness
Anderson	Day	Knutson	Moe, R.D.	Robertson
Beckman	Dille	Krentz	Mondale	Runbeck
Belanger	Finn	Kroening	Morse	Sams
Benson, D.D.	Flynn	Langseth	Murphy	Samuelson
Benson, J.E.	Frederickson	Larson	Oliver	Solon
Berg	Hanson	Lesewski	Olson	Stevens
Bertram	Hottinger	Lessard	Pappas	Stumpf
Betzold	Johnson, D.E.	Luther	Pariseau	Terwilliger
Chandler	Johnson, J.B.	Marty	Price	Vickerman
Chmielewski	Johnston	McGowan	Ranum	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 157 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 157: A bill for an act relating to retirement; authorizing the purchase of prior service credit in the public employees police and fire fund by two employees of the city of Minneapolis.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Murphy	Samuelson
Anderson	Flynn	Langseth	Oliver	Solon
Beckman	Frederickson	Larson	Olson	Spear
Belanger	Hanson	Lesewski	Pappas	Stevens
Benson, D.D.	Hottinger	Lessard	Pariseau	Stumpf
Benson, J.E.	Janezich	Luther	Piper	Terwilliger
Bertram	Johnson, D.E.	Marty	Price	Vickerman
Betzold	Johnson, J.B.	McGowan	Ranum	Wiener
Chandler	Johnston	Metzen	Riveness	
Cohen	Kiscaden	Moe, R.D.	Robertson	
Day	Knutson	Mondale	Runbeck	
Dille	Krentz	Morse	Sams	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 751 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 751: A bill for an act relating to local government; regulating tanning facilities; requiring warning notices; establishing record-keeping

requirements; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 461.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Luther	Murphy	Riveness
Betzold	Janezich	Marty	Novak	Solon
Cohen	Johnson, J.B.	Merriam	Pappas	Spear
Finn	Krentz	Metzen	Piper	Wiener
Flynn	Kroening	Moe, R.D.	Price	
Hanson	Larson	Mondale	Ranum	

Those who voted in the negative were:

Adkins	Chandler	Kiscaden	Oliver	Stevens
Beckman	Chmielewski	Knutson	Olson	Stumpf
Belanger	Day	Langseth	Pariseau	Terwilliger
Benson, D.D.	Dille	Lesewski	Robertson	Vickerman
Benson, J.E.	Frederickson	Lessard	Runbeck	
Berg	Johnson, D.E.	McGowan	Sams	
Bertram	Johnston	Morse	Samuelson	

So the bill failed to pass.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 20 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 20: A resolution memorializing the United States Secretary of Agriculture to establish higher price supports for grain commodities.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 50 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Mondale	Robertson
Beckman	Dille	Kroening	Morse	Runbeck
Belanger	Finn	Larson	Murphy	Sams
Benson, D.D.	Frederickson	Lesewski	Novak	Samuelson
Benson, J.E.	Hanson	Lessard	Olson	Solon
Berg	Hottinger	Luther	Pappas	Stevens
Bertram	Janezich	Marty	Piper	Stumpf
Betzold	Johnson, D.E.	McGowan	Price	Terwilliger
Chmielewski	Johnson, J.B.	Metzen	Ranum	Vickerman
Cohen	Knutson	Moe, R.D.	Riveness	Wiener

Those who voted in the negative were:

Anderson	Johnston	Merriam	Oliver	Spear
Chandler	Kiscaden			

So the resolution passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1398 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1398: A bill for an act relating to traffic regulations; directing commissioner of transportation to study and report on traffic safety improvement measures in residential neighborhoods.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Moe, R.D.	Sams
Anderson	Day	Krentz	Morse	Samuelson
Beckman	Dille	Kroening	Murphy	Solon
Belanger	Finn	Langseth	Novak	Spear
Benson, D.D.	Flynn	Larson	Oliver	Stevens
Benson, J.E.	Frederickson	Lessard	Pappas	Stumpf
Berg	Hottinger	Luther	Piper	Vickerman
Bertram	Johnson, D.E.	Marty	Ranum	Wiener
Betzold	Johnson, J.B.	McGowan	Riveness	
Chandler	Johnston	Merriam	Robertson	
Chmielewski	Kiscaden	Metzen	Runbeck	

Mses. Lesewski, Olson and Mrs. Pariseau voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 253 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 253: A bill for an act relating to occupations and professions; clarifying the training requirements for private detectives and security guards; amending Minnesota Statutes 1992, section 326.3361, subdivisions 1, 2, and 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Riveness
Anderson	Dille	Krentz	Mondale	Robertson
Beckman	Finn	Kroening	Morse	Runbeck
Belanger	Flynn	Langseth	Murphy	Sams
Benson, D.D.	Frederickson	Larson	Novak	Samuelson
Benson, J.E.	Hanson	Lesewski	Oliver	Solon
Berg	Hottinger	Lessard	Olson	Spear
Bertram	Janezich	Luther	Pappas	Stevens
Betzold	Johnson, D.E.	Marty	Pariseau	Stumpf
Chandler	Johnson, J.B.	McGowan	Piper	Terwilliger
Chmielewski	Johnston	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 168 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 168: A bill for an act relating to state government; authorizing state agencies to enter into contracts with regional organizations; proposing coding for new law in Minnesota Statutes, chapter 15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Runbeck
Anderson	Dille	Kroening	Murphy	Sams
Beckman	Finn	Langseth	Novak	Samuelson
Belanger	Flynn	Lesewski	Oliver	Solon
Benson, D.D.	Frederickson	Lessard	Olson	Spear
Benson, J.E.	Hanson	Luther	Pappas	Stevens
Berg	Hottinger	Marty	Pariseau	Stumpf
Bertram	Janezich	McGowan	Piper	Terwilliger
Betzold	Johnson, J.B.	Merriam	Price	Vickerman
Chandler	Johnston	Metzen	Ranum	Wiener
Chmielewski	Kiscaden	Moe, R.D.	Riveness	
Cohen	Knutson	Mondale	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 732 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 732: A bill for an act relating to law enforcement; exempting law enforcement agencies from the requirements of the criminal offender rehabilitation employment law; amending Minnesota Statutes 1992, section 364.09.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Riveness
Anderson	Dille	Krentz	Mondale	Robertson
Beckman	Finn	Kroening	Morse	Runbeck
Belanger	Flynn	Langseth	Murphy	Samuelson
Benson, D.D.	Frederickson	Larson	Novak	Solon
Benson, J.E.	Hanson	Lesewski	Oliver	Spear
Berg	Hottinger	Lessard	Olson	Stevens
Bertram	Janezich	Luther	Pariseau	Stumpf
Betzold	Johnson, D.E.	Marty	Piper	Terwilliger
Chandler	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chmielewski	Johnston	Merriam	Price	Wiener
Cohen	Kiscaden	Metzen	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and

Administration, designated S.F. No. 103 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 103: A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; prescribing the powers and duties of licensees and the board; giving the gambling control board director cease and desist authority for violations of board rules; adding restrictions for bingo halls, distributors, and manufacturers; providing more flexibility in denying a license application to ensure the integrity of the lawful gambling industry; strengthening the gambling control board's enforcement ability by increasing licensing requirements; establishing the combined receipts tax as a lawful purpose expenditure; expanding definition of lawful purpose to include certain senior citizen activities, certain real estate taxes and assessments, and wildlife management projects; prohibiting the use of lawful purpose contributions by local governmental units in pension or retirement funds; exempting organizations with gross receipts of \$50,000 or less from the annual audit; expanding the definition of a class C license; making class C licensee reporting requirements quarterly; modifying the definition of allowable expense to include some advertising costs; eliminating additional compensation for the state lottery director; clarifying and strengthening the regulation of the conduct of bingo; prohibiting certain forms of gambling by persons under 18; modifying the definition of net profits for local assessments; prescribing penalties; amending Minnesota Statutes 1992, sections 240.13, subdivision 8; 240.25, by adding a subdivision; 240.26, subdivision 3; 299L.03, subdivisions 1 and 2; 299L.07, by adding a subdivision; 349.12, subdivisions 1, 3a, 4, 8, 11, 18, 19, 21, 23, 25, 30, 32, 34, and by adding a subdivision; 349.151, subdivision 4; 349.152, subdivisions 2 and 3; 349.153; 349.154, subdivision 2; 349.16, subdivisions 6 and 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1 and 4; 349.168, subdivisions 3 and 6; 349.169, subdivision 1; 349.17, subdivisions 2, 4, 5, and by adding a subdivision; 349.174; 349.18, subdivisions 1, 1a, and 2; 349.19, subdivisions 2, 5, 6, 8, and 9; 349.191, subdivisions 1, 4, and by adding a subdivision; 349.211, subdivisions 1 and 2; 349.2122; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and by adding a subdivision; 349.213, subdivision 1; 349A.03, subdivision 2; 349A.12, subdivisions 1, 2, 5, and 6; and 609.755; proposing coding for new law in Minnesota Statutes, chapters 471; and 609; repealing Minnesota Statutes 1992, sections 349A.03, subdivision 3; and 349A.08, subdivision 3.

Mr. Dille moved to amend S.F. No. 103 as follows:

Page 2, after line 9, insert:

"Section 1. Minnesota Statutes 1992, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

(a) member of the legislature;

(b) constitutional officer in the executive branch and the officer's chief administrative deputy;

(c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;

(d) commissioner, deputy commissioner, or assistant commissioner of any state department as designated pursuant to section 15.01;

(e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;

(f) executive director of the state board of investment;

(g) executive director of the Indian affairs intertribal board;

(h) commissioner of the iron range resources and rehabilitation board;

(i) commissioner of mediation services;

(j) deputy of any official listed in clauses (e) to (i);

(k) judge of the workers' compensation court of appeals;

(l) administrative law judge or compensation judge in the state office of administrative hearings or referee in the of jobs and training;

(m) solicitor general or deputy, assistant or special assistant attorney general;

(n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the office of senate counsel and research or house research;

(o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;

(p) ~~the commissioner of gaming and director of each division in the department of gaming and the deputy director of the state lottery board director of the Minnesota racing commission and the director of the gambling control board;~~

(q) director of the division of gambling enforcement in the department of public safety;

(r) member or executive director of the higher education facilities authority;
or

(s) member of the board of directors or president of the Minnesota world trade center corporation.

Sec. 2. Minnesota Statutes 1992, 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 commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;
Commissioner of education;
Commissioner of transportation;
Commissioner of human services;
Commissioner of revenue;
Commissioner of public safety;
Executive director, state board of investment;
Director of the state lottery;

\$50,000-\$67,500

Commissioner of administration;
Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of jobs and training;
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 waste management;
Commissioner, housing finance agency;
Executive director, public employees retirement
association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;

Chair, regional transit board;

\$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.”

Page 2, after line 31, insert:

“Sec. 6. Minnesota Statutes 1992, section 270A.03, subdivision 7, is amended to read:

Subd. 7. [REFUND.] “Refund” means an individual income tax refund or political contribution refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

~~For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.”~~

Page 3, after line 26, insert:

“Sec. 10. Minnesota Statutes 1992, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

~~(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.”~~

Page 47 after line 33, insert:

“Sec. 86. [349A.16] [LOTTERY ABOLISHED.]

Subdivision 1. [ABOLITION; SUCCESSOR AGENCY.] The lottery, the office of director, and all other positions created under section 349A.02, are abolished. The commissioner of public safety is the successor of the director for purposes of completing any proceeding, court action, prosecution, or other business undertaken by the director before June 30, 1995. Except as provided in subdivision 2, the commissioner may exercise the powers assigned

to the director under this chapter for the purpose of completing those actions. The commissioner shall assume the authority of the director over all funds established under section 349A.10 and shall make payments from those funds until all obligations of the state under this chapter have been satisfied. When all obligations of the state under this chapter have been satisfied, the commissioner shall pay all remaining money in all funds established under section 349A.10 to the state treasury for deposit as provided under section 349A.10, subdivision 5.

Subd. 2. [SALE OF LOTTERY TICKETS.] The commissioner shall not sell, or make available for sale through lottery retailers, any tickets for the state lottery."

Page 48, after line 4, insert:

"Sec. 88. Minnesota Statutes 1992, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, ~~purchase or sale of tickets in the state lottery,~~ or gambling authorized under ~~chapters~~ *chapter 349 and 349A.*

Sec. 89. Minnesota Statutes 1992, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapters 240 and 349 ~~or purchase of tickets in the state lottery under chapter 349A,~~ or to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.

Sec. 90. Minnesota Statutes 1992, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the gambling control board or an organization exempt from licensing under section 349.166.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

~~(8) The purchase and sale of state lottery tickets under chapter 349A."~~

Page 48, delete lines 31 and 32

Page 48, line 33, delete "(3)" and insert "(2)"

Page 49, line 1, delete "(4)" and insert "(3)"

Page 49, line 3, delete "(5)" and insert "(4)"

Page 49, after line 4, insert:

"Sec. 93. Minnesota Statutes 1992, section 609.762, subdivision 1, is amended to read:

Subdivision 1. [FORFEITURE.] The following are subject to forfeiture:

(a) Devices used or intended for use, including those defined in section 349.30, subdivision 2, as a gambling device, except as authorized in ~~sections 349.11 to 349.23 and~~ section 349.40;

(b) All moneys, materials, and other property used or intended for use as payment to participate in gambling or a prize or receipt for gambling;

(c) Books, records, and research products and materials, including formulas, microfilm, tapes, and data used or intended for use in gambling; and

(d) Property used or intended to be used to illegally influence the outcome of a horse race."

Page 49, after line 9, insert:

"(c) Minnesota Statutes 1992, sections 270B.14, subdivision 7; 349A.01; 349A.02; 349A.03; 349A.04; 349A.05; 349A.06; 349A.07; 349A.08; 349A.09; 349A.10; 349A.11; 349A.12; 349A.13; 349A.14; and 349A.15, are repealed, except to the extent that those sections contain powers and duties that are transferred to the commissioner of public safety under section 86."

Page 49, line 35, after the period, insert *"Section 94, paragraph (c), is effective July 1, 1995."*

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Berg imposed a call of the Senate for the balance of the proceedings on S.F. No. 103. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Dille amendment.

The roll was called, and there were yeas 30 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Knutson	Merriam	Robertson
Belanger	Finn	Krentz	Mondale	Runbeck
Benson, D.D.	Flynn	Laidig	Murphy	Sams
Benson, J.E.	Frederickson	Lesewski	Oliver	Spear
Chandler	Johnston	Luther	Olson	Stevens
Day	Kiscaden	Marty	Pariseau	Terwilliger

Those who voted in the negative were:

Adkins	Hanson	Larson	Pappas	Stumpf
Anderson	Hottinger	Lessard	Piper	Vickerman
Berg	Janezich	McGowan	Pogemiller	Wiener
Bertram	Johnson, D.E.	Metzen	Price	
Betzold	Johnson, J.B.	Moe, R.D.	Ranum	
Chmielewski	Kroening	Morse	Riveness	
Cohen	Langseth	Novak	Samuelson	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 103 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Moe, R.D.	Ranum
Anderson	Dille	Kroening	Mondale	Riveness
Beckman	Finn	Laidig	Morse	Robertson
Belanger	Flynn	Langseth	Murphy	Runbeck
Benson, D.D.	Frederickson	Larson	Novak	Sams
Benson, J.E.	Hottinger	Lesewski	Oliver	Samuelson
Berg	Janezich	Lessard	Olson	Spear
Bertram	Johnson, D.E.	Luther	Pappas	Stevens
Betzold	Johnson, J.B.	Marty	Pariseau	Stumpf
Chandler	Johnston	McGowan	Piper	Terwilliger
Chmielewski	Kiscaden	Merriam	Pogemiller	Vickerman
Cohen	Knutson	Metzen	Price	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1054 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1054: A bill for an act relating to state departments and agencies; providing for reports on advisory task forces committees and councils; providing for their expirations; eliminating certain advisory bodies; amending Minnesota Statutes 1992, sections 6.65; 15.059, subdivision 5; 16B.39, subdivision 1a; 41A.02, subdivision 1; 41A.04, subdivisions 2 and 4; 116J.975; 125.188, subdivision 3; 125.1885, subdivision 3; 129D.16;

148.235, subdivision 2; 246.017, subdivision 2; 246.56, subdivision 2; 256B.0629, subdivision 4; and 256B.433, subdivision 1; 299F.093, subdivision 1; repealing Minnesota Statutes 1992, sections 41.54; 41A.07; 43A.31, subdivision 4; 82.30, subdivision 1; 84.524, subdivisions 1 and 2; 85A.02, subdivision 4; 86A.10, subdivision 1; 116J.645; 116J.984, subdivision 11; 116N.05; 120.064, subdivision 6; 121.87; 145.93, subdivision 2; 148B.20, subdivision 2; 152.02, subdivision 11; 175.008; 184.23; 206.57, subdivision 3; 245.476, subdivision 4; 245.4885, subdivision 4; 256.9745; 256B.0629, subdivisions 1, 2, and 3; 256B.433, subdivision 4; 257.072, subdivision 6; 299F.092, subdivision 9; 299F.097; and 626.5592.

Ms. Wiener moved to amend S.F. No. 1054 as follows:

Page 2, line 13, reinstate the stricken language and delete "1994"

The motion prevailed. So the amendment was adopted.

S.F. No. 1054 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Mondale	Ranum
Anderson	Finn	Kroening	Morse	Rivness
Beckman	Frederickson	Laidig	Murphy	Robertson
Belanger	Hanson	Langseth	Novak	Runbeck
Benson, D.D.	Janezich	Larson	Oliver	Sams
Benson, J.E.	Johnson, D.E.	Lesewski	Olson	Samuelson
Berg	Johnson, J.B.	Lessard	Pappas	Spear
Bertram	Johnston	Luther	Pariseau	Stevens
Betzold	Kelly	Marty	Piper	Terwilliger
Chandler	Kiscaden	McGowan	Pogemiller	Vickerman
Day	Knutson	Metzen	Price	Wiener

Mr. Merriam voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 947 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 947: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Sherburne and Stearns counties.

Mr. Finn moved to amend H.F. No. 947, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 896.)

Page 1, after line 18, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND; HUBBARD COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Hubbard county may sell the tax-forfeited land bordering

public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Hubbard county and is described as:

(1) That part of Government Lot 4, Section 31, Township 139, Range 34, described as follows: Commencing at the Southwest corner of Lot 4, Section 31, Township 139, Range 34, thence along the westerly boundary line of said Lot 4, 170 feet North to the point of beginning; thence continuing North 175 feet to a point which will be the Northwest corner of this lot; thence at right angle East to the shore of North Twin Lake; thence southerly along the shoreline to a point due East of the point of beginning; thence due West to the point of beginning. This tract forfeited to the state for nonpayment of taxes on October 24, 1990; and

(2) That portion of the South 100 feet of the North 400 feet of Government Lot 6, Section 3, Township 142 North, Range 32 West of the Fifth Principal Meridian, lying East of the Blue Trail, as it existed on November 15, 1991. This tract forfeited for nonpayment of taxes on November 15, 1991.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership."

Page 1, line 19, delete "2" and insert "3"

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 4, delete "county" and insert "and Hubbard counties"

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 947, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 896.)

Page 1, after line 18, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND; STEARNS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Stearns county may sell tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be sold is located in Stearns county and is described as Lots 15 and 16, Block 1, Jody Estates Addition to Wakefield Township.

(d) The county has determined that the county's land management interests would best be served if the land is returned to private ownership."

Page 1, line 19, delete "2" and insert "3"

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 3, delete "land that borders" and insert "lands that border"

Page 1, line 4, delete "county" and insert "and Stearns counties"

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on the Bertram amendment to H.F. No. 947. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Stevens moved that H.F. No. 947 be laid on the table. The motion prevailed.

Mr. Luther moved that H.F. No. 854 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 854: A bill for an act relating to drivers' licenses; eliminating driver's license endorsement requirement for special transportation service drivers; amending Minnesota Statutes 1992, sections 171.02, subdivision 2; 171.10, subdivision 2; and 171.13, subdivision 5; repealing Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Murphy	Robertson
Anderson	Finn	Laidig	Oliver	Runbeck
Belanger	Frederickson	Larson	Olson	Sams
Benson, D.D.	Janezich	Lesewski	Pappas	Spear
Benson, J.E.	Johnson, D.E.	Lessard	Pariseau	Stevens
Berg	Johnson, J.B.	Luther	Piper	Stumpf
Bertram	Johnston	Marty	Pogemiller	Vickerman
Betzold	Kelly	McGowan	Price	Wiener
Chandler	Kiscaden	Merriam	Ranum	
Cohen	Knutson	Mondale	Reichgott	
Day	Krentz	Morse	Riveness	

So the bill passed and its title was agreed to.

Mr. Luther moved that H.F. No. 622 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 622: A bill for an act relating to metropolitan government; providing long-term protection of agricultural land in the metropolitan area; amending Minnesota Statutes 1992, sections 473H.11; and 473H.12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Langseth	Murphy	Runbeck
Anderson	Finn	Larson	Oliver	Sams
Belanger	Frederickson	Lesewski	Olson	Samuelson
Benson, D.D.	Janezich	Lessard	Pappas	Spear
Benson, J.E.	Johnson, D.E.	Luther	Pariseau	Stevens
Berg	Johnson, J.B.	Marty	Piper	Stumpf
Bertram	Johnson	McGowan	Pogemiller	Vickerman
Betzold	Kelly	Merriam	Price	Wiener
Chandler	Kiscaden	Metzen	Ranum	
Chmielewski	Knutson	Moe, R.D.	Reichgott	
Cohen	Krentz	Mondale	Riveness	
Day	Laidig	Morse	Robertson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stevens moved that H.F. No. 947 be taken from the table. The motion prevailed.

H.F. No. 947: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Sherburne and Stearns counties.

Mr. Bertram withdrew his amendment.

H.F. No. 947 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Mondale	Riveness
Anderson	Dille	Laidig	Morse	Robertson
Beckman	Finn	Langseth	Murphy	Runbeck
Belanger	Frederickson	Larson	Oliver	Sams
Benson, D.D.	Janezich	Lesewski	Olson	Samuelson
Benson, J.E.	Johnson, D.E.	Lessard	Pappas	Solon
Berg	Johnson, J.B.	Luther	Pariseau	Spear
Bertram	Johnson	Marty	Piper	Stevens
Betzold	Kelly	McGowan	Pogemiller	Stumpf
Chandler	Kiscaden	Merriam	Price	Vickerman
Chmielewski	Knutson	Metzen	Ranum	Wiener
Cohen	Krentz	Moe, R.D.	Reichgott	

So the bill, as amended, passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 974 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 974: A bill for an act relating to the capitol area architectural and planning board; clarifying certain duties and powers of the board; amending Minnesota Statutes 1992, section 15.50, subdivision 2, and by adding a subdivision.

Ms. Pappas moved to amend H.F. No. 974, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1013.)

Pages 1 to 8, delete sections 1 and 2 and insert:

“Section 1. Minnesota Statutes 1992, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time, *after a public hearing*, amend a comprehensive use plan for the capitol area, ~~herein~~ called the area *in this subdivision*, which ~~shall initially consist~~ *consists* of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin.

~~Pursuant to~~ *Under* the comprehensive plan, or ~~any a portion thereof of it~~, the board may regulate, by means of zoning rules adopted ~~pursuant to~~ *under* the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person ~~shall~~ *may* undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate

in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when they request it requests reports for their its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall may be built or altered on any public lands within the area unless the plans for the same conforms project conform to the comprehensive use plan as specified in ~~clause~~ paragraph (d) and to the requirement for competitive plans as specified in ~~clause~~ paragraph (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under ~~clause~~ paragraph (e); may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and, open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall may be made to public lands or buildings in the area save with without the written approval of the board.

(e) The board shall secure by competitions; plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition; which that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such A competition shall must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota, and the board may award one or more premiums in each such competition and may pay such the costs and fees as that may be required for the its conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such the plans have been considered by the advisory committee described in ~~clause~~ (f) paragraph (h). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) Notwithstanding paragraph (e), an architectural competition is not required for the design of any light rail transit station and alignment within the capitol area. The board and its advisory committee shall select a preliminary design for any transit station in the capitol area. Each stage of any station's design through working drawings must be reviewed by the board's advisory committee and approved by the board to ensure that the station's design is compatible with the comprehensive plan for the capitol area and the board's

design criteria. The guideway and track design of any light rail transit alignment within the capitol area must also be reviewed by the board's advisory committee and approved by the board.

(g) Of the amount available for the light rail transit design, adequate funds must be available to the board for design framework studies and review of preliminary plans for light rail transit alignment and stations in the capitol area.

~~(f)~~ *(h) The board shall may not adopt any plan under ~~clause~~ paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall may not be contestants under ~~clause~~ paragraph (e). The comments and criticism shall must be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose:*

(1) the committee shall must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area-, and a copy of any such data prepared by any public employee or agency shall must be filed with the board promptly upon completion;

(2) the board may employ such stenographic or technical help as that may be reasonable to assist the committee to perform its duties;

(3) when so directed by the board, the committee may serve as, and any member or members thereof of the committee may serve on, the jury or as professional advisor for any architectural competition-, and the board shall select the architectural advisor and jurors for any competition with the advice of the committee; and

(4) the city of Saint Paul shall advise the board.

~~(g)~~ *(i) The comprehensive plan for the area shall must be developed and maintained in close cooperation with the commissioner of trade and economic development and, the planning department and the council for the city of Saint Paul, and the board of the arts, and no such plan or amendment thereof shall of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts and without a public hearing with opportunity for public testimony.*

~~(h)~~ *(j) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided*

shall be under this paragraph are binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall do not apply to this clause.

(k) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. *The board shall report any changes to the comprehensive plan adopted by the board to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate and upon request shall provide testimony concerning the changes. The board shall also provide testimony to the legislature on proposals for memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.*

(l) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it shall ~~may~~ also have the power to acquire an interest less than a fee simple interest in the property, if it finds that ~~the~~ *the property* is needed for future expansion or beautification of the area.

(m) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and acts ~~amendatory thereof~~ *amendments to it.*

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which ~~such a part as~~ *that* the commissioner of administration and commissioner of veterans affairs may mutually determine shall ~~must~~ be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to ~~such~~ other state departments and agencies as the commissioner may deem desirable."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 974 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Laidig	Morse	Robertson
Anderson	Dille	Langseth	Murphy	Runbeck
Beckman	Finn	Larson	Oliver	Sams
Belanger	Frederickson	Lesewski	Olson	Samuelson
Benson, D.D.	Hanson	Lessard	Pappas	Solon
Benson, J.E.	Janezich	Luther	Pariseau	Spear
Berg	Johnson, D.E.	Marty	Piper	Stevens
Bertram	Johnson, J.B.	McGowan	Pogemiller	Stumpf
Betzold	Johnston	Merriam	Price	Terwilliger
Chandler	Kiscaden	Metzen	Ranum	Vickerman
Chmielewski	Knutson	Moe, R.D.	Reichgott	Wiener
Cohen	Krentz	Mondale	Rivness	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 868 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 868: A bill for an act relating to human services; adding conditions on availability of funds; changing conditions on adoption assistance agreement; changing reimbursement of costs; determining program funding; amending Minnesota Statutes 1992, section 259.40, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Langseth	Oliver	Sams
Anderson	Finn	Larson	Olson	Samuelson
Beckman	Frederickson	Lesewski	Pappas	Solon
Belanger	Hanson	Lessard	Pariseau	Spear
Benson, D.D.	Janezich	Luther	Piper	Stevens
Benson, J.E.	Johnson, D.E.	Marty	Pogemiller	Terwilliger
Bertram	Johnson, J.B.	McGowan	Price	Vickerman
Betzold	Johnston	Merriam	Ranum	Wiener
Chandler	Kiscaden	Metzen	Reichgott	
Chmielewski	Knutson	Moe, R.D.	Rivness	
Cohen	Krentz	Morse	Robertson	
Day	Laidig	Murphy	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 882 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 882: A bill for an act relating to outdoor recreation; creating the Lake Superior water trail; proposing coding for new law in Minnesota Statutes, chapter 85.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Lesewski	Olson	Samuelson
Anderson	Finn	Lessard	Pappas	Solon
Beckman	Frederickson	Luther	Pariseau	Spear
Belanger	Janezich	Marty	Piper	Stevens
Benson, D.D.	Johnson, J.B.	McGowan	Pogemiller	Stumpf
Benson, J.E.	Johnston	Merriam	Price	Terwilliger
Bertram	Kelly	Metzen	Ranum	Vickerman
Betzold	Kiscaden	Moe, R.D.	Reichgott	Wiener
Chandler	Knutson	Mondale	Rivness	
Chmielewski	Krentz	Morse	Robertson	
Cohen	Laidig	Murphy	Runbeck	
Day	Larson	Oliver	Sams	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 34 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 34: A bill for an act relating to student exchange programs; regulating student exchange programs; imposing a penalty; amending Minnesota Statutes 1992, section 299C.61, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 5A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Laidig	Murphy	Rivness
Anderson	Finn	Langseth	Novak	Robertson
Beckman	Frederickson	Larson	Oliver	Runbeck
Belanger	Hanson	Lesewski	Olson	Sams
Benson, J.E.	Janezich	Lessard	Pappas	Samuelson
Berg	Johnson, D.E.	Luther	Pariseau	Stevens
Bertram	Johnson, J.B.	Marty	Piper	Stumpf
Betzold	Johnston	McGowan	Pogemiller	Terwilliger
Chandler	Kiscaden	Merriam	Price	Wiener
Chmielewski	Knutson	Metzen	Ranum	
Day	Krentz	Morse	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 129 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 129: A bill for an act relating to marriage dissolution; maintenance; applying child support enforcement actions to actions to enforce maintenance; expanding notice of rights of parties in dissolution or separation proceeding; requiring child support order to assign responsibility for child's medical coverage; clarifying visitation rights; requiring dissolution judgment or decree to provide notice about principal residence; amending Minnesota

Statutes 1992, sections 214.101, subdivisions 1 and 4; 518.17, subdivision 3; 518.171, subdivision 1; 518.175, subdivision 6; 518.177; 518.55; 518.551, subdivision 12; 518.583; 518.611, subdivision 2; and 518.641, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

Mr. Luther moved to amend H.F. No. 129, the unofficial engrossment, as follows:

Page 2, after line 23, insert:

“Sec. 3. Minnesota Statutes 1992, section 257.022, subdivision 2b, is amended to read:

Subd. 2b. ~~[WHEN CHILD HAS RESIDED WITH OTHER PERSON OTHER VISITATION RIGHTS.]~~ If ~~an unmarried minor~~ a person other than a foster parent has resided in a household with a ~~person, other than a foster parent,~~ an unmarried minor for two years or more and no longer resides with the ~~person~~ minor; or if a person other than a foster parent has had any other significant relationship with an unmarried minor for two or more years, the person may petition the district court for an order granting the person reasonable visitation rights to the child during the child's minority. The court shall grant the petition if it finds that:

- (1) visitation rights would be in the best interests of the child;
- (2) the petitioner and child had established emotional ties creating a parent and child relationship *or similar significant emotional relationship*; and
- (3) visitation rights would not interfere with the relationship between the custodial parent and the child.

The court shall consider the reasonable preference of the child, if the court considers the child to be of sufficient age to express a preference.”

Page 3, after line 1, insert:

“Sec. 6. Minnesota Statutes 1992, section 257.57, subdivision 1, is amended to read:

Subdivision 1. A child, the child's biological mother, or a man presumed to be the child's father under section 257.55, subdivision 1, clause (a), (b), or (c) may bring an action:

(a) At any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, clause (a), (b), or (c); or

(b) ~~Within three years after the child's birth~~ For the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (a), (b), or (c), *only if the action is brought within a reasonable time after the person bringing the action has obtained knowledge of the relevant facts, but in no event later than three years after the child's birth.* However, if the presumed father was divorced from the child's mother and if, on or before the 280th day after the judgment and decree of divorce or dissolution became final, he did not know that the child was born during the marriage or within 280 days after the marriage was terminated, the action is not barred until one year after the child reaches the age of majority or one year after the presumed father knows or reasonably should have known of the birth of the child, whichever is earlier. After the presumption has been

rebutted, paternity of the child by another man may be determined in the same action, if he has been made a party.”

Page 22, after line 20, insert:

“Sec. 25. [EFFECTIVE DATE; APPLICATION.]

Section 6 is effective January 1, 1994, and applies to actions commenced on or after that date.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Luther then moved to amend the Luther amendment to H.F. No. 129 as follows:

Page 1, delete lines 3 to 26

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Luther amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 129 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Reichgott
Beckman	Flynn	Laidig	Novak	Riveness
Belanger	Hottinger	Langseth	Oliver	Robertson
Benson, D.D.	Janezich	Lesewski	Olson	Runbeck
Benson, J.E.	Johnson, D.E.	Luther	Pappas	Sams
Bertram	Johnson, J.B.	Marty	Pariseau	Solon
Betzold	Johnston	McGowan	Piper	Spear
Chandler	Kiscaden	Moe, R.D.	Pogemiller	Stumpf
Cohen	Knutson	Mondale	Price	Terwilliger
Dille	Krentz	Morse	Ranum	Wiener

Those who voted in the negative were:

Adkins	Day	Lessard	Metzen	Stevens
Chmielewski	Larson	Merriam	Samuelson	Vickerman

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 796 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 796: A bill for an act relating to transportation; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and rights-of-way in the rail bank; providing funding

sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; repealing identification display requirements for highway advertising signs; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 165.03; 174.03, subdivision 1a; 222.50, subdivision 7; 222.63, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, section 173.14; and Minnesota Rules, part 8810.1300, subpart 6.

Mr. Langseth moved to amend S.F. No. 796 as follows:

Page 3, after line 1; insert:

“Sec. 3. Minnesota Statutes 1992, section 162.02, subdivision 7, is amended to read:

Subd. 7. [ESTABLISHMENT IN NEW LOCATION OR OVER ESTABLISHED ROADS.] The county board of any county may establish and locate any county state-aid highway on new location where there is no existing road, or it may establish and locate the highway upon or over any established road or street or a specified portion thereof within its limits; ~~provided, that.~~ *Except as provided in subdivision 8a*, no county state-aid highway shall be established or located within the corporate limits of any city without the approval of the governing body of the city, except that when a county state-aid highway is relocated the approval of the plans by the governing body shall be deemed to be a transfer of the previous location of the highway to the jurisdiction of the city. The approval shall be in the manner and form required by the commissioner.

Sec. 4. Minnesota Statutes 1992, section 162.02, subdivision 8, is amended to read:

Subd. 8. [APPROVAL BY CITY.] *Except as provided in subdivision 8a*, no portion of the county state-aid highway system lying within the corporate limits of any city shall be constructed, reconstructed, or improved nor the grade thereof changed without the prior approval of the plans by the governing body of such city and the approval shall be in the manner and form required by the commissioner.

Sec. 5. Minnesota Statutes 1992, section 162.02, is amended by adding a subdivision to read:

Subd. 8a. [DISPUTE RESOLUTION BOARD.] *If a city has failed to approve establishment, construction, reconstruction, or improvement of a county state-aid highway within its corporate limits under subdivision 7 or 8, the county board may, by resolution, request the commissioner to appoint a dispute resolution board consisting of one county commissioner, one county engineer, one city council member or city mayor, one city engineer, and one representative of the department of transportation. The board shall review the proposed change and make a recommendation to the commissioner. Notwithstanding any other law, the commissioner may approve the establishment, construction, reconstruction, or improvement of a county state-aid highway recommended by the board.*

Sec. 6. Minnesota Statutes 1992, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to ~~ten~~ five percent of the apportionment sum shall be apportioned equally among the 87 counties.

(2) An amount equal to ~~ten~~ 20 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(3) An amount equal to ~~30~~ 35 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total ~~miles existing lane miles~~ of approved county state-aid highways bears to the total ~~miles existing lane miles~~ of approved statewide county state-aid highways.

(4) An amount equal to ~~50~~ 40 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; ~~provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.~~

In 1994 and thereafter, no county shall receive more than its apportionment for the previous year plus 39.5 percent, and in 1994 and thereafter no county shall receive less than its apportionment for 1993 plus three percent. The three percent may be decreased proportionately among the counties if the total apportionment sum is insufficient.

Sec. 7. Minnesota Statutes 1992, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] An amount equal to a levy of 0.01596 percent on each rural county's total taxable market value for the last preceding calendar year shall be computed and shall be subtracted from the county's total estimated construction costs. The result thereof shall be the money needs of the county. ~~For the purpose of this section, "rural counties" means all counties having a population of less than 175,000.~~

Sec. 8. Minnesota Statutes 1992, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage *in lane miles* of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula

heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of ~~nine county engineers~~. The board shall be so selected that each *one* county engineer appointed shall be from a different ~~from each of the seven state highway construction district districts outside the department's metropolitan division and five county engineers from the department's metropolitan division~~. No county engineer shall be appointed so as to serve consecutively for more than ~~two~~ *four* years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's *lane* mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the *lane* mileage of each system and the money needs of each county shall be made by the commissioner.

Sec. 9. Minnesota Statutes 1992, section 162.07, subdivision 6, is amended to read:

Subd. 6. [ESTIMATES TO BE MADE IF INFORMATION NOT PROVIDED.] In the event that any county shall fail to submit the information provided for herein, the commissioner shall estimate the *lane* mileage and the money needs of the county. The estimate shall be used in determining the apportionment formula. The commissioner may withhold payment of the amount apportioned to the county until the information is submitted."

Page 5, after line 5, insert:

"Sec. 11. Minnesota Statutes 1992, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	C-\$15	CC-\$19	B-\$26	A-\$34
	C-\$18.50	CC-\$22.50	B-\$29.50	A-\$37.50
Classified Under 21 D.L.	C-\$15	CC-\$19	B-\$26	A-\$14
	C-\$18.50	CC-\$22.50	B-\$29.50	A-\$17.50
Instruction Permit				\$ 6 9.50
Duplicate Driver or Under 21 License				\$ 4.50
				\$ 8.00
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$ 9
				\$12.50

(b) For the 1994-1995 biennium, \$2,900,000 of the additional fee shall be paid into the state treasury and credited to the transit assistance fund.

Sec. 12. Minnesota Statutes 1992, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO FUNDS.]

All money received under the provisions of this chapter shall be paid into the state treasury with ~~90~~ 70 percent of such money credited to the trunk highway fund, 20 percent credited to the transit assistance fund, and ten percent credited to the general fund, except as provided in sections 171.06, ~~subdivision subdivisions 2 and 2a~~; and 171.29, subdivision 2. The percent

credited to the transit assistance fund is in addition to the amount credited under section 171.06, subdivision 2."

Page 5, after line 18, insert:

"Sec. 14. Minnesota Statutes 1992, section 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) The transit assistance fund receives money distributed under section 297B.09. ~~Eighty percent of~~ *As appropriated from time to time by law*, the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and ~~20 percent~~ into a separate account for distribution to recipients located outside of the metropolitan area. *Money not so appropriated cancels to the general fund.* Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).

(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall submit the applications to the regional transit board for approval. The commissioner may distribute funds only with the approval of the board. Before approving any application for funds for construction, the board shall report to the legislature on the use and planned distribution of construction funds."

Page 6, after line 36, insert:

"Sec. 17. Minnesota Statutes 1992, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rate:

For the period ~~on and after May~~ *from June 1, 1988 1993, to June 30, 1995*, gasoline is taxed at the rate of ~~20~~ 25 cents per gallon.

Sec. 18. Minnesota Statutes 1992, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [MOTOR VEHICLE LEASES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon leases of motor vehicles is 6.5 percent.

Sec. 19. Minnesota Statutes 1992, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is imposed an excise tax at the rate ~~provided in chapter 297A~~ *of seven percent* on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

Sec. 20. Minnesota Statutes 1992, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) ~~Twenty-five~~ *Twenty-seven* percent of the money collected and received under this chapter ~~after June 30, 1990, and before July 1, 1991,~~ must be transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: ~~75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.~~

(c) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.

Sec. 21. [HIGH-SPEED RAIL STUDY.]

(a) *The commissioner of transportation shall initiate a phase-II feasibility study of high-speed rail service in Minnesota, Wisconsin, and Illinois along the southern corridor identified in the tri-state study of high-speed rail*

service. The commissioner shall seek federal matching funds and contributions from nonpublic sources to finance the study. The commissioner may enter into agreements with the states of Wisconsin and Illinois to cooperate in financing and performing the study.

(b) The study outline shall be agreed upon by the participating states and federal government and should include:

- (1) collection of original and comprehensive origin-destination data;
- (2) a comprehensive assessment of alternative technologies;
- (3) engineering and environmental analysis, including route evaluations within the corridor, crossings, infrastructure needs, intermodal connections, and potential station locations;
- (4) comprehensive financial and economic analysis;
- (5) analysis of potential public-private partnerships; and
- (6) an implementation plan and program for design and construction of a high-speed rail system."

Page 9, after line 5, insert:

"Sec. 25. [LIGHT RAIL TRANSIT FUNDING PROPOSAL.]

If federal funds are available, the commissioner of transportation shall submit a proposal for federal matching funds for preliminary design, final design, and land acquisition for light rail transit in the central corridor.

Sec. 26. [APPROPRIATION.]

(a) \$7,600,000 for fiscal year 1994 and \$7,600,000 for fiscal year 1995 is appropriated from the funds indicated to the commissioner of transportation for the sole purpose of matching federal funds for preliminary design, final design, and land acquisition for light rail transit in the central corridor. This amount is available only if federal matching funds are available and if Hennepin county provides \$400,000 and Ramsey county provides \$200,000 to the commissioner of transportation for this purpose:

- (1) from the transit assistance fund \$11,900,000; and
- (2) from the general fund \$3,300,000.

The unencumbered balance in the first year does not cancel but is available for the second year. Any amounts not expended or obligated by June 30, 1995, cancel to the trunk highway fund.

(b) \$45,400,000 for fiscal year 1994 and \$45,400,000 for fiscal year 1995 is appropriated to the commissioner of transportation for local roads. Of this amount:

- (1) \$35,200,000 each year is from the county state-aid highway fund; and
- (2) \$10,200,000 each year is from the municipal state-aid street fund.

(c) \$59,300,000 for fiscal year 1994 and \$59,300,000 for fiscal year 1995 is appropriated to the commissioner of transportation from the trunk highway fund for state road construction.

(d) \$6,700,000 for fiscal year 1994 and \$6,700,000 for fiscal year 1995 is appropriated to the commissioner of transportation from the trunk highway fund for highway program delivery. Of this amount, \$2,800,000 each year is for design engineering and \$3,900,000 each year is for construction engineering.

(e) \$3,000,000 for fiscal year 1994 and \$3,000,000 for fiscal year 1995 is appropriated from the trunk highway fund to the commissioner of public safety for the state patrol.

(f) \$65,700,000 for fiscal year 1994 and \$67,100,000 for fiscal year 1995 is appropriated from the transit assistance fund for the following purposes:

(1) \$49,600,000 the first year and \$50,015,000 the second year to the regional transit board for transit in the metropolitan area; and

(2) \$16,100,000 the first year and \$16,223,000 the second year to the commissioner of transportation for greater Minnesota transit assistance.

(g) \$600,000 is appropriated from the general fund to the commissioner of transportation for the phase-II high-speed rail study, \$300,000 to be available for the fiscal year ending June 30, 1994, and \$300,000 to be available for the fiscal year ending June 30, 1995. The unencumbered balance in the first year does not cancel but is available for the second year. The complement of the department of transportation is increased by 1.5 positions.

This appropriation is contingent upon the state of Wisconsin paying an equal amount and receipt of federal matching funds for the study."

Page 9, line 8, after the period, insert "Minnesota Statutes 1992, section 162.07, subdivision 4, is repealed. Sections 3 to 8, 10, 11, 16, 17, 18, and 19 expire June 30, 1995, and the laws in effect May 31, 1993, are reinstated."

Page 9, line 11, after the period, insert "Sections 3 to 8 are effective for county state-aid fund apportionment payment in 1994 and thereafter. Section 16 is effective June 1, 1993, and applies to gasoline and special fuel in distributor storage on that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Ms. Pappas imposed a call of the Senate for the balance of the proceedings on S.F. No. 796. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Berg moved to amend the Langseth amendment to S.F. No. 796 as follows:

Page 6, delete section 18

Page 6, line 27, reinstate the old language and delete the new language

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the Berg amendment to the Langseth amendment.

The roll was called, and there were yeas 12 and nays 52, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Johnston	Novak	Pariseau	Robertson
Benson, J.E.	Lesewski	Olson	Price	Stevens
Berg	McGowan			

Those who voted in the negative were:

Adkins	Finn	Krentz	Mondale	Sams
Anderson	Flynn	Kroening	Morse	Samuelson
Beckman	Frederickson	Laidig	Murphy	Solon
Belanger	Hanson	Langseth	Oliver	Spear
Bertram	Hottinger	Larson	Pappas	Stumpf
Betzold	Janezich	Lessard	Piper	Terwilliger
Chandler	Johnson, D.E.	Luther	Pogemiller	Vickerman
Chmielewski	Johnson, D.J.	Marty	Ranum	Wiener
Cohen	Johnson, J.B.	Merriam	Reichgott	
Day	Kiscaden	Metzen	Riveness	
Dille	Knutson	Moe, R.D.	Runbeck	

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Novak moved to amend the Langseth amendment to S.F. No. 796 as follows:

Page 9, line 1, delete the quotation marks

Page 9, after line 1, insert:

“Sec. 22. [CONSTITUTIONAL AMENDMENT PROPOSED.]

Subdivision 1. An amendment to the Minnesota Constitution, as provided by subdivisions 2 and 3, is proposed to the people.

Subd. 2. If the amendment is adopted, article XIV, section 5, will read as follows:

Sec. 5. There is hereby created a highway user tax distribution fund to be used solely for highway purposes as specified in this article. For purposes of this article, highway purposes includes use for mass transit. The fund consists of the proceeds of any taxes authorized by sections 9 and 10 of this article. The net proceeds of the taxes shall be apportioned: 62 percent to the trunk highway fund; 29 percent to the county state-aid highway fund; nine percent to the municipal state-aid street fund. Each apportionment under this section may be used for mass transit. Five percent of the net proceeds of the highway user tax distribution fund may be set aside and apportioned by law to one or more of the three foregoing funds. The balance of the highway user tax distribution fund shall be transferred to the trunk highway fund, the county state-aid highway fund, and the municipal state-aid street fund in accordance with the percentages set forth in this section. No change in the apportionment of the five percent may be made within six years of the last previous change.

Sec. 23. [SUBMISSION TO THE VOTERS.]

The proposed amendment must be submitted to the people at the 1994 general election. The question submitted must be:

“Shall the Minnesota Constitution be amended to allow the use of the highway user distribution fund for mass transit?”

Yes

No

Election procedures must be as provided by law.

Sec. 24. [EFFECT OF AMENDMENT.]

If the amendment proposed by section 22 is approved by the people, it will govern fuel excise tax increases taking effect after December 31, 1994."

Renumber the sections in sequence and correct the internal references

Mr. Frederickson questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Novak amendment to the Langseth amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.J.	Luther	Novak	Riveness
Benson, J.E.	Kelly	Marty	Oliver	Robertson
Betzold	Krentz	Merriam	Price	Runbeck
Chandler	Kroening	Metzen	Ranum	Solon
Cohen	Laidig	Mondale	Reichgott	Spear

Those who voted in the negative were:

Adkins	Dille	Johnson, J.B.	McGowan	Pogemiller
Beckman	Finn	Johnston	Moe, R.D.	Sams
Belanger	Flynn	Kiscaden	Morse	Samuelson
Benson, D.D.	Frederickson	Knutson	Murphy	Stevens
Berg	Hanson	Langseth	Olson	Stumpf
Bertram	Hottinger	Larson	Pappas	Terwilliger
Chmielewski	Janezich	Lesewski	Pariseau	Vickerman
Day	Johnson, D.E.	Lessard	Piper	Wiener

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Chandler moved to amend the Langseth amendment to S.F. No. 796 as follows:

Page 3, delete section 7

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the Chandler amendment to the Langseth amendment.

The roll was called, and there were yeas 22 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Luther	Mondale	Price	Runbeck
Betzold	Marty	Novak	Ranum	Spear
Chandler	McGowan	Oliver	Reichgott	
Finn	Merriam	Pariseau	Riveness	
Johnston	Metzen	Pogemiller	Robertson	

Those who voted in the negative were:

Adkins	Berg	Dille	Janezich	Kiscaden
Beckman	Bertram	Flynn	Johnson, D.E.	Knutson
Belanger	Chmielewski	Frederickson	Johnson, D.J.	Krentz
Benson, D.D.	Hanson	Hottinger	Johnson, J.B.	Laidig
Benson, J.E.	Day		Kelly	Langseth

Larson	Morse	Piper	Stevens	Wiener
Lesewski	Murphy	Sams	Stumpf	
Lessard	Olson	Samuelson	Terwilliger	
Moe, R.D.	Pappas	Solon	Vickerman	

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Chmielewski moved to amend the Langseth amendment to S.F. No. 796 as follows:

Page 9, line 11, delete "sole" and after the second "of" insert "grants to regional railroads organized under chapter 398A outside the metropolitan area for preservation and improvement of local rail service for agriculture, industry, or passenger traffic and for the preservation and redevelopment of abandoned rail rights-of-way for future transportation uses and"

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the Langseth amendment.

The roll was called, and there were yeas 48 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Mondale	Sams
Anderson	Flynn	Krentz	Morse	Samuelson
Beckman	Frederickson	Laidig	Murphy	Spear
Belanger	Hanson	Langseth	Pappas	Stevens
Benson, D.D.	Hottinger	Larson	Piper	Stumpf
Bertram	Johnson, D.E.	Lesewski	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Lessard	Price	Vickerman
Chandler	Johnston	Luther	Ranum	Wiener
Chmielewski	Kelly	Marty	Reichgott	
Cohen	Kiscaden	Moe, R.D.	Riveness	

Those who voted in the negative were:

Benson, J.E.	Janezich	Merriam	Olson	Solon
Berg	Johnson, D.J.	Metzen	Pariseau	
Day	Kroening	Novak	Robertson	
Finn	McGowan	Oliver	Runbeck	

The motion prevailed. So the amendment was adopted.

Ms. Olson moved to amend S.F. No. 796 as follows:

Page 2, after line 24, insert:

"Sec. 2. Minnesota Statutes 1992, section 161.123, is amended to read:
161.123 [HIGHWAY CONSTRUCTION; PROHIBITIONS.]

Following May 31, 1975 the department of transportation shall not cause any construction on, nor shall any lands be acquired for, any of the trunk highways designated as I-335; proposed I-394 between I-494 and the Hawthorne interchange; nor for any extension or connector of the Dartmouth interchange of the interstate route designated as I-94, except for a connection from Fulton Avenue and Huron Street to University Avenue Southeast and 25th Avenue Southeast generally via Huron Street and 25th Avenue Southeast; nor shall the department construct or improve Legislative Route No. 116, marked trunk highway route No. 55, within the city of Minneapolis, to freeway or expressway standards; provided, that nothing in this section shall be construed to prohibit the department from taking the following actions:

(1) Construction of a parkway facility of not more than four lanes of traffic in the corridor previously designated for I-335 in the city of Minneapolis.

(2) Construction of not more than six lanes of travel on Legislative Routes No. 10 and No. 107 marked TH12 between I-494 and the Hawthorne interchange in the city of Minneapolis, *except that existing available paved road surface and right-of-way may be utilized to provide additional lanes of travel*; provided that no additional lands shall be acquired for any such purpose except which is necessary for construction of six lanes of travel on said highway.

(3) Generally utilizing and widening present lanes of travel, increasing the number of lanes of travel up to but not exceeding six lanes, and upgrading Legislative Route No. 116 within the city of Minneapolis generally along its present traveled corridor.

(4) Preparation of any environmental impact statements, recreational and other land use reports, and other elements of the planning process required by federal and state law, utilizing the most reasonably recent available data, on the following:

Routes and corridors enumerated above and all feasible and prudent alternate routes and corridors, giving the fullest possible consideration to each, without regard to prior authorization or to whether legislative approval or other action is necessary. In the preparation of such environmental impact statements the commissioner shall analyze and evaluate:

(a) Design modifications which may mitigate any adverse environmental impact; and

(b) The recommendations of the metropolitan council, transportation advisory board, and interstate study committee as reported to the legislature pursuant to Laws 1975, chapter 203, section 16; and

(c) All other matters required of an environmental impact statement by applicable state and federal laws.

Any highway facility authorized by this section shall be compatible with the immediate residential areas through which it passes. Upon the completion of any highway facility authorized herein, any right-of-way previously acquired within the utilized corridor and not needed for the construction and maintenance of such facility, shall be transferred to the city within which such excess right-of-way is located, for public purposes, or sold for utilization in a manner compatible with the immediate residential area through which it passes, such excess right-of-way being determined by order of the commissioner. The transfer shall be evidenced by a quit claim deed, in such form as the attorney general approves, executed by the governor in the name of the state of Minnesota to such city.

The commissioner of transportation shall consider a parkway or other alternatives for that portion of the trunk highway designated as I-35 or Route No. 390 in the city of Duluth."

Page 9, line 9, delete "3, 4, 7, 8, and 9" and insert "4, 5, 8, 9, and 10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon; insert "removing highway construction restriction;"

Page 1, line 21, after the first semicolon, insert "161.123;"

Ms. Hanson moved that S.F. No. 796 be laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills and Introduction and First Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 236: A bill for an act relating to domestic abuse; requiring a report on victims of domestic abuse and eligibility for unemployment compensation benefits.

There has been appointed as such committee on the part of the House:

Sekhon; Johnson, A. and Rukavina.

Senate File No. 236 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1993

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 643:

H.F. No. 643: A bill for an act relating to commerce; making technical changes in the department's enforcement powers; regulating cosmetology; prescribing powers and duties; setting fees; amending Minnesota Statutes 1992, sections 45.011, subdivision 1, and by adding a subdivision; 45.027, subdivisions 1, 2, 5, 6, and 8; 155A.03, subdivision 1; 155A.05; 155A.06; 155A.07, subdivisions 2, 4, 7, and 8; 155A.08, subdivisions 2 and 5; 155A.09, subdivisions 2, 5, 6, and 9; 155A.10; 155A.14; 155A.15; and 155A.16; proposing coding for new law in Minnesota Statutes, chapter 155A; repealing Minnesota Statutes 1992, sections 155A.11; 155A.12; 155A.13; and 155A.18; Minnesota Rules, parts 2642.0310, subparts 3, 4, and 5; 2642.0330, subparts 3 and 4; 2642.0800; 2642.0810; 2644.0310, subparts 2, 3, and 4; 2644.0800; and 2644.0810.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Luther, Sarna and Ness have been appointed as such committee on the part of the House.

House File No. 643 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1993

Mr. Belanger moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 643, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 864, 1436, 50 and 1021.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 864: A bill for an act relating to waters; inspection of watercraft for exotic harmful species; gasoline tax distribution; permit fee for aquatic vegetation control; authorizing civil citations and penalties; recommendations on milfoil control on White Bear Lake; appropriating money; amending Minnesota Statutes 1992, sections 18.317, subdivision 3a; 86B.415, subdivision 7; and 103G.615, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Finance.

H.F. No. 1436: A bill for an act relating to the environment; appropriating money from the metropolitan landfill contingency trust fund to the commissioner of the pollution control agency for reimbursement to the city of Hopkins for remediation of methane at the city landfill; amending Laws 1991, chapter 182, section 7.

Referred to the Committee on Finance.

H.F. No. 50: A bill for an act relating to agriculture; changing the apiary laws; reducing an appropriation; amending Minnesota Statutes 1992, sections 19.50, by adding a subdivision; 19.52, subdivision 1; 19.55; 19.56; 19.58, subdivisions 1, 2, and 4; 19.59; 19.64, subdivisions 1 and 4a; and 19.65; proposing coding for new law in Minnesota Statutes, chapter 19; repealing Minnesota Statutes 1992, sections 19.51, subdivision 3; 19.54; 19.58, subdivisions 3, 7, and 8; 19.60; 19.61, subdivision 2; 19.62; and 19.64, subdivisions 2, 3, and 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 598, now on General Orders.

H.F. No. 1021: A bill for an act relating to state lands; exempting certain lakeshore lots from sale requirements; authorizing the commissioner of natural resources to acquire personal property; amending Minnesota Statutes 1992, section 92.67, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 842, now on General Orders.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Murphy introduced—

S.F. No. 1626: A bill for an act relating to human services; permitting local ordinances to exclude a convicted sex offender or violent offender whose victim was a child from a residential program located in the same community where the crime was committed; requiring the commissioner of corrections to notify county officials before placing a convicted sex offender in the same community where the crime was committed; amending Minnesota Statutes 1992, sections 245A.11, subdivision 1; 609.1352, by adding a subdivision; and 609.346, subdivision 5.

Referred to the Committee on Crime Prevention.

MOTIONS AND RESOLUTIONS – CONTINUED

NOTICE OF RECONSIDERATION

Mr. Bertram gave notice of intention to move for reconsideration of H.F. No. 947.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 287: Ms. Johnson, J.B.; Messrs. Mondale, Merriam, Stevens and Chandler.

H.F. No. 546: Messrs. Murphy, Morse and Ms. Kiscaden.

H.F. No. 643: Messrs. Belanger, Solon and Metzen.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Ms. Berglin and Mr. Neuville were excused from the Session of today. Mr. Novak was excused from the Session of today from 8:30 to 9:45 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 9:50 a.m. Messrs. Kelly and Laidig were excused from the Session of today from 8:30 to 10:00 a.m. Ms. Reichgott was excused from the Session of today from 8:30 to 10:30 a.m. Ms. Flynn and Mr. Hottinger were excused from the Session of today from 10:35 to 11:20 a.m. Mr. Johnson, D.J. was excused from the Session of today from 8:30 a.m. to 12:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Wednesday, May 5, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIRST DAY

St. Paul, Minnesota, Wednesday, May 5, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Gary L. Langness.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 3, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 163 and 431.

Warmest regards,
Arne H. Carlson, Governor

May 4, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
431		71	4:31 p.m. May 3	May 3
	1474	73	4:18 p.m. May 3	May 3
	477	74	4:20 p.m. May 3	May 3
	237	75	3:24 p.m. May 3	May 3
	804	76	4:28 p.m. May 3	May 3
	1525	77	4:37 p.m. May 3	May 3
	57	78	4:27 p.m. May 3	May 3
	592	79	4:29 p.m. May 3	May 3
	670	81	4:35 p.m. May 3	May 3
163		82	4:33 p.m. May 3	May 3

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 House File, herewith transmitted: H.F. No. 948.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1993

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 948: A bill for an act relating to commerce; modifying the definition of business license; regulating residential building contractors and remodelers; providing licensing requirements; prescribing the powers and duties of the commissioner; prohibiting unlicensed persons from obtaining building permits; establishing a contractor's recovery fund; appropriating money; amending Minnesota Statutes 1992, sections 116J.70, subdivision 2a; 326.83, subdivisions 4, 6, 7, 8, 10, and by adding subdivisions; 326.84, subdivisions 1 and 3; 326.85, subdivision 1; 326.86; 326.87, subdivision 2; 326.88; 326.89, subdivisions 2, 3, and by adding subdivisions; 326.90;

326.91, subdivisions 1 and 2; 326.92, subdivisions 1 and 3; 326.93, subdivision 1; 326.94, subdivision 2; 326.97, subdivision 1, and by adding a subdivision; 326.99; and 326.991; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1992, sections 326.84, subdivision 2; and 326.94, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 938, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed:

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 13: A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1992, sections 168.031; 168.12, subdivision 5; and 168.125, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 669: A bill for an act relating to game and fish; funding for wildlife habitat; stamp design; training of hunting dogs; disabled hunters; clothing requirements; taking of deer; nonresident fish house license fees; raccoon season; seasons for and tagging of fur-bearing animals; rough fish taking by nonresidents; importation of minnows; taking, possession, transportation, sale, and purchase of mussels; use of certain appropriated funds; amending Minnesota Statutes 1992, sections 97A.015, subdivision 49; 97A.045, subdivision 7; 97A.475, subdivision 12; 97B.005, subdivisions 2 and 3; 97B.045; 97B.071; 97B.111; 97B.211, subdivision 1; 97B.301, subdivision 4, and by adding a subdivision; 97B.311; 97B.621, subdivision 1; 97B.901; 97B.911; 97B.915; 97B.921; 97B.925; 97C.375; 97C.515, by adding a subdivision; 97C.701, subdivision 1, and by adding a subdivision; 97C.705, subdivision 1; 97C.711; and Laws 1991, chapter 354, article 11, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; and 97A; repealing Minnesota Statutes 1992, sections 97A.541; and 97C.701, subdivisions 2, 3, 4, and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, delete section 27

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 19, after "1;" insert "and" and delete "and Laws 1991,"

Page 1, delete line 20

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 760: A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge contributions, and sell advertising; appropriating money; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 162: A bill for an act relating to retirement; increasing the individual retirement account plans employer contribution rate; amending Minnesota Statutes 1992, section 354B.04, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 354B.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 812: A bill for an act relating to the environment; increasing and extending the motor vehicle transfer fee; establishing a grant program for the purpose of examining management alternatives for shredder residue from steel recycling processes; requiring the pollution control agency to address management of shredder residue; appropriating money; amending Minnesota Statutes 1992, sections 115A.90, by adding a subdivision; and 115A.908, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 5, before "\$150,000" insert "(a)"

Page 3, line 14, delete "\$100,000" and insert "(b) \$140,000"

Page 3, after line 19, insert:

"(c) None of the money appropriated in this section may be spent unless the legislative commission on waste management has approved a work program prepared by the commissioner of the pollution control agency."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 327: A bill for an act relating to human services; authorizing intensive family preservation services and child welfare targeted case management services; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1624: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, delete "*Minnesota correctional facility* -"

Page 2, delete line 20 and insert "*Box 712, Elizabeth, MN 56533, for*"

Page 2, line 29, delete "*Minnesota correctional facility - St.*"

Page 2, line 30, delete "*Cloud, Box B, St. Cloud, MN 56302*" and insert "*c/o Phil King, agent, Minneapolis, MN*"

Page 2, line 35, delete "*left*" and insert "*right*"

Page 3, line 3, delete the first comma and insert "*and*"

Page 3, line 16, after "*for*" insert "*permanent injury claims and for*"

Page 3, line 28, delete "*community*" and insert "*sentencing to*"

Page 3, after line 29, insert:

"(4) For medical services provided to Glen Joecks, c/o Ronald Frauenshuh, Attorney, 113 Washburne Avenue, Paynesville, MN 56362, who suffered a neck injury while performing sentencing to service work in McLeod county.....\$1,594.80."

Page 4, line 3, delete "*Ron Mathieu*" and insert "*Tim Chapman*"

Page 4, line 25, delete "*Linda A. Ross*" and insert "*Ross A. Linda*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1274: A bill for an act relating to veterans; authorizing the legislature to hear and determine claims by patients at the Minnesota veterans homes; amending Minnesota Statutes 1992, section 3.738, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 248: A bill for an act relating to government data practices; providing for the issuance of commissioner's opinions under the data practices act; proposing coding for new law in Minnesota Statutes, chapter 13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 15, delete "*under section 8.07*"

Page 2, after line 33, insert:

"Sec. 2. [APPROPRIATION.]

\$205,000 is appropriated from the general fund to the commissioner of

administration to issue advisory opinions as provided in this act. \$115,000 is for fiscal year 1994 and \$90,000 is for fiscal year 1995."

Page 2, line 34, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 184: A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 17, after "be" insert "*deposited in the state treasury and*"

Page 6, line 13, after "be" insert "*deposited in the state treasury and*"

Page 14, line 29, delete "APPROPRIATION AND" and insert "APPROPRIATIONS;"

Page 14, delete line 31 and insert:

"(a)"

Page 14, after line 36, insert:

"(b) *\$146,000 is appropriated from the off-highway motorcycle account to the commissioner of natural resources for the purposes of sections 1 to 10 and 17 and is available for the fiscal year ending June 30, 1995.*"

Page 15, line 1, delete everything before "Amounts" and insert:

"(c)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1611: A bill for an act relating to the department of finance; providing for state financial management reform; amending Minnesota Statutes 1992, sections 16A.04, subdivision 1; 16A.10, subdivision 2; 16A.11, subdivision 1, and by adding a subdivision; 16A.14, by adding a subdivision; 16A.15, subdivision 1; and 124.196; proposing coding for new law in Minnesota Statutes, chapters 3 and 16A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete line 13 and insert "*received by school districts as a group, counties as a group, and the group of cities*"

Page 3, line 14, delete "*having*" and insert "*that have*."

Page 3, line 20, after "*each*" insert "*group of*"

Page 3, line 21, delete "*unit*" and insert "*units*."

Page 3, line 23, after "*which*" insert "*groups of*"

Page 7, after line 8, insert:

"Sec. 10. [APPROPRIATION.]

\$120,000 is appropriated from the general fund to the commissioner of revenue for the purposes of this act. \$60,000 is for fiscal year 1994 and \$60,000 is for fiscal year 1995."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "*appropriating money;*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 965: A bill for an act relating to state department of finance; making technical and substantive changes to provisions of law about the department; amending Minnesota Statutes 1992, sections 16A.011, subdivisions 5, 6, and 14; 16A.04, subdivision 1; 16A.055, subdivision 1; 16A.06, subdivision 4; 16A.065; 16A.10, subdivisions 1 and 2; 16A.105; 16A.11, subdivisions 1, 2, and 3; 16A.128; 16A.129, by adding a subdivision; 16A.15, subdivisions 1, 5, and 6; 16A.152, by adding subdivisions; 16A.1541; 16A.17, subdivision 3; 16A.28; 16A.30; 16A.58; 16A.69, subdivision 2; and 16A.72; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1992, sections 3.3005; 16A.095, subdivision 3; 16A.123; 16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; and 290A.24.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 35, delete from "*In*" through page 6, line 2, to "*February*"

Pages 8 to 11, delete section 15 and insert:

"Sec. 15. [16A.1285] [DEPARTMENTAL EARNINGS.]

Subdivision 1. [DEFINITIONS.] In this section, departmental earnings mean any charge for goods and services and any regulatory, licensure, or other similar charges levied by any state agency and paid by individuals, businesses, or other nonstate entity. This definition must not be construed to include general taxes collected by a state agency or charges for services provided by one state agency to another state agency.

Subd. 2. [POLICY.] To the extent not set by law, specific charges falling within definitions stipulated in subdivision 1 must be set in the manner

prescribed in this subdivision provided that: (1) agencies, when setting, adjusting, or authorizing any charge for goods or services that are of direct, immediate, and primary benefit to an individual, business, or other nonstate entity, shall set the charges at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services; or (2) that agencies, when setting, adjusting, or establishing regulatory, licensure, or other charges that are levied, in whole or in part, in the public interest shall recover, but are not limited to, the costs involved in performance and administration of the functions involved.

Subd. 3. [DUTIES OF THE COMMISSIONER OF FINANCE.] The commissioner of finance shall classify, monitor, analyze, and report all departmental earnings that fall within the definition established in subdivision 1. Specifically, the commissioner shall:

(1) establish and maintain a classification system that clearly defines and distinguishes categories and types of departmental earnings and takes into account the purpose of the various earnings types and the extent to which various earnings types serve a public or private interest;

(2) prepare a biennial report that documents collection costs, purposes, and yields of all departmental earnings, the report to be submitted to the legislature on or before November 30 of each even-numbered year and to include estimated data for the year in which the report is prepared, actual data for the two years immediately before, and estimates for the two years immediately following; and

(3) prepare and maintain a detailed directory of all departmental earnings.

Subd. 4. [RULEMAKING.] (a) Unless otherwise exempted or unless specifically set by law, all charges for goods and services, licenses, and regulation must be established or adjusted as provided in chapter 14; except that agencies may establish or adjust individual charges when:

(1) charges for goods and services are provided for the direct and primary use of a private individual, business, or other similar entity;

(2) charges are nonrecurring;

(3) charges would produce insignificant revenues;

(4) charges are billed within or between state agencies; or

(5) charges are for admissions to or for use of public facilities operated by the state, if the charges are set according to prevailing market conditions to recover operating costs.

(b) In addition to the exceptions in paragraph (a), agencies may adjust charges, with the approval of the commissioner of finance, if the proposed adjustments are within consumer price level (CPI) ranges stipulated by the commissioner of finance, if the adjustments do not change the type or purpose of the item being adjusted.

(c) Any departmental earnings changes or adjustments authorized by the commissioner of finance must be reported to the chairs of the senate committee on finance and the house ways and means committee before August 1 of each year.

Subd. 5. [PROCEDURE.] The commissioner of finance shall review and comment on all departmental charges submitted for approval under chapter 14. The commissioner's comments and recommendations must be included in the statement of need and reasonableness and must address any fiscal and policy concerns raised during the review process."

Pages 16 and 17, delete section 26

Page 19, delete section 30

Page 19, line 34, delete "3.3005;"

Page 19, line 35, after the second semicolon, insert "16A.128;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "16A.128;"

Page 1, line 11, delete "16A.30;"

Page 1, line 14, delete "3.3005;"

Page 1, line 15, after the second semicolon, insert "16A.128;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 571 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
571					511

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 571 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 571 and insert the language after the enacting clause of S.F. No. 511, the first engrossment; further, delete the title of H.F. No. 571 and insert the title of S.F. No. 511; the first engrossment.

And when so amended H.F. No. 571 will be identical to S.F. No. 511, and further recommends that H.F. No. 571 be given its second reading and substituted for S.F. No. 511, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 299 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
299	410				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 299 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 299 and insert the language after the enacting clause of S.F. No. 410, the first engrossment; further, delete the title of H.F. No. 299 and insert the title of S.F. No. 410, the first engrossment.

And when so amended H.F. No. 299 will be identical to S.F. No. 410, and further recommends that H.F. No. 299 be given its second reading and substituted for S.F. No. 410, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1133 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1133	834				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1133 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1133 and insert the language after the enacting clause of S.F. No. 834, the second engrossment; further, delete the title of H.F. No. 1133 and insert the title of S.F. No. 834, the second engrossment.

And when so amended H.F. No. 1133 will be identical to S.F. No. 834, and further recommends that H.F. No. 1133 be given its second reading and substituted for S.F. No. 834, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1021 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1021			842		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1021 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1021 and insert the language after the enacting clause of S.F. No. 842, the first engrossment; further, delete the title of H.F. No. 1021 and insert the title of S.F. No. 842, the first engrossment.

And when so amended H.F. No. 1021 will be identical to S.F. No. 842, and further recommends that H.F. No. 1021 be given its second reading and substituted for S.F. No. 842, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 50 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
50			598		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 50 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 50 and insert the language after the enacting clause of S.F. No. 598, the first engrossment; further, delete the title of H.F. No. 50 and insert the title of S.F. No. 598, the first engrossment.

And when so amended H.F. No. 50 will be identical to S.F. No. 598, and further recommends that H.F. No. 50 be given its second reading and substituted for S.F. No. 598, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 13, 669, 760, 162, 812, 327, 1624, 248, 184, 1611 and 965 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1274, 571, 299, 1133, 1021 and 50 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Frederickson be added as a co-author to S.F. No. 1611. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 648 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 648: A bill for an act relating to counties; permitting Itasca and Polk counties to consolidate the offices of auditor and treasurer.

Mr. Lessard moved that the amendment made to H.F. No. 648 by the Committee on Rules and Administration in the report adopted April 5, 1993, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 648 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Chandler	Knutson	Metzen	Robertson
Anderson	Chmielewski	Kroening	Moe, R.D.	Runbeck
Beckman	Day	Langseth	Neuville	Spear
Benson, D.D.	Flynn	Larson	Oliver	Stevens
Benson, J.E.	Hanson	Lesewski	Olson	Stumpf
Berg	Johnson, D.E.	Lessard	Pariseau	Terwilliger
Berglin	Johnson, J.B.	Luther	Piper	Vickerman
Bertram	Johnston	Marty	Price	Wiener
Betzold	Kiscaden	McGowan	Ranum	

Messrs. Dille, Finn and Sams voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1413 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1413: A bill for an act relating to workers' compensation; modifying provisions relating to charges by certain nursing homes; amending Minnesota Statutes 1992, section 176.136, subdivision 1b.

Mr. Chandler moved that S.F. No. 1413 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1454 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1454: A bill for an act relating to the city of Hutchinson; permitting the city to erect certain signs.

Mr. Dille moved to amend H.F. No. 1454 as follows:

Page 1, line 9, after "signs" insert "either" and after "on" insert "or off"

Page 1, line 10, after the period, insert "Signs erected under this section are not subject to the permit requirement of Minnesota Statutes, section 173.03."

The motion prevailed. So the amendment was adopted.

H.F. No. 1454 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Murphy	Sams
Anderson	Dille	Langseth	Neuville	Samuelson
Beckman	Finn	Larson	Oliver	Spear
Benson, D.D.	Flynn	Lesewski	Olson	Stevens
Benson, J.E.	Hanson	Lessard	Pariseau	Stumpf
Berg	Johnson, D.E.	Luther	Piper	Terwilliger
Berglin	Johnson, J.B.	Marty	Pogemiller	Vickerman
Bertram	Johnston	McGowan	Price	Wiener
Betzold	Kelly	Metzen	Ranum	
Chandler	Kiscaden	Moe, R.D.	Robertson	

Mr. Kroening voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1169 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1169: A bill for an act relating to metropolitan government; requiring the transit commission to obtain consent to use parkways; amending Minnesota Statutes 1992, section 473.411, subdivision 5.

Ms. Ranum moved to amend H.F. No. 1169, as amended pursuant to Rule 49, adopted by the Senate April 23, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1228.)

Page 1, line 22, delete the second "a" and insert "the" and delete "the" and insert "Minneapolis"

Page 1, line 23, delete "first class"

Page 2, line 1, delete everything after "commissioners,"

Page 2, line 2, delete "parks and parkways in the city,"

Page 2, line 5, delete "A" and insert "The" and delete everything after "commissioners"

Page 2, line 6, delete everything before "may" and insert "and the transit commission"

Page 2, line 9, after "commission" insert "or their designees"

Page 2, line 10, delete everything after "commissioners"

Page 2, line 11, delete "parkways"

Page 2, line 13, after the period, insert "The decision to grant or deny the request must be made within 45 days of the date of the request. The park board must be notified immediately by the transit commission of any temporary route detours. If the park board objects to the temporary route detours within five days of being notified, the joint board must convene and decide whether to grant the request, otherwise the request is deemed granted."

The motion prevailed. So the amendment was adopted.

H.F. No. 1169 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Murphy	Runbeck
Anderson	Dille	Kroening	Neuville	Sams
Beckman	Finn	Langseth	Oliver	Samuelson
Benson, D.D.	Flynn	Larson	Olson	Solon
Benson, J.E.	Frederickson	Lesewski	Pariseau	Spear
Berg	Hanson	Lessard	Piper	Stevens
Berglin	Johnson, D.E.	Luther	Pogemiller	Stumpf
Bertram	Johnson, J.B.	Marty	Price	Terwilliger
Betzold	Johnston	McGowan	Ranum	Vickerman
Chandler	Kelly	Metzen	Riveness	Wiener
Chmielewski	Kiscaden	Moe, R.D.	Robertson	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1032 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1032: A bill for an act relating to commerce; regulating prize notices; requiring certain disclosures by solicitors; providing for reimbursement in certain cases; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Ms. Robertson moved to amend S.F. No. 1032 as follows:

Page 5, line 27, delete "October" and insert "July"

The motion prevailed. So the amendment was adopted.

S.F. No. 1032 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Robertson
Anderson	Dille	Knutson	Murphy	Runbeck
Beckman	Finn	Kroening	Neuville	Sams
Benson, D.D.	Flynn	Langseth	Oliver	Samuelson
Benson, J.E.	Frederickson	Larson	Olson	Solon
Berg	Hanson	Lesewski	Pariseau	Spear
Berglin	Hottinger	Lessard	Piper	Stevens
Bertram	Johnson, D.E.	Luther	Pogemiller	Stumpf
Betzold	Johnson, J.B.	Marty	Price	Terwilliger
Chandler	Johnston	McGowan	Ranum	Vickerman
Chmielewski	Kelly	Metzen	Riveness	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1205 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1205: A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

Mr. Kelly moved to amend H.F. No. 1205 as follows:

Page 1, after line 11, insert:

“Section 1. Minnesota Statutes 1992, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] “Displace” means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

“Displace” does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; or (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure.

“Displace” does not include downsizing large apartment complexes by demolishing less than 25 percent of the units in the complex or by eliminating units through reconfiguration and expansion of individual units. For the purpose of this section, “large apartment complex” means two or more buildings in a contiguous area containing a total of 100 or more units.

Sec. 2. Minnesota Statutes 1992, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] “Replacement housing” means rental housing that is:

(1) the lesser of (i) the ~~number and corresponding~~ total size of all low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units;

(2) low-income housing for the ~~greater of at least 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended.~~ This section does not prohibit increases in rent to cover operating expenses;

(3) in at least standard condition; and

(4) located in the city where the displaced low-income housing units were located.

Replacement housing may be provided as newly constructed housing, or rehabilitated housing that was previously unoccupied or vacant and in condemnable conditions or rent subsidized existing housing that does not already qualify as low-income housing.

Notwithstanding the above requirements, public housing units which are a part of a disposition plan approved by the Department of Housing and Urban Development automatically qualify as replacement housing for public housing units which are displaced."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1205 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Murphy	Sams
Anderson	Finn	Kroening	Neuville	Samuelson
Beckman	Flynn	Langseth	Oliver	Spear
Benson, D.D.	Frederickson	Larson	Olson	Stevens
Benson, J.E.	Hottinger	Lesewski	Pariseau	Stumpf
Berglin	Johnson, D.E.	Lessard	Piper	Terwilliger
Bertram	Johnson, J.B.	Luther	Pogemiller	Vickerman
Betzold	Johnston	Marty	Price	Wiener
Chandler	Kelly	McGowan	Riveness	
Chmielewski	Kiscaden	Metzen	Robertson	
Day	Knutson	Moe, R.D.	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Mr. Moe, R.D. moved that S.F. No. 1413 be taken from the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1413 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1413: A bill for an act relating to workers' compensation;

modifying provisions relating to charges by certain nursing homes; amending Minnesota Statutes 1992, section 176.136, subdivision 1b.

Mr. Langseth moved to amend S.F. No. 1413 as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1992, section 79.211, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN WAGES EXCLUDED FOR RATEMAKING.]
The rating association or an insurer shall not include wages paid for a vacation, holiday, or sick leave in the determination of a workers' compensation insurance premium.

The rating association or an insurer, including the assigned risk plan, shall not include wages paid for work performed in an adjacent state in the determination of a workers' compensation premium if the employer paid a workers' compensation insurance premium to the exclusive state fund of the adjacent state on the wages earned in the adjacent state.”

Page 2, after line 5, insert:

“Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1993, and applies to all workers' compensation insurance policies issued or renewed on or after that date.”

Renumber the sections in sequence and correct the internal references.

Amend the title accordingly.

The motion prevailed. So the amendment was adopted.

S.F. No. 1413 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Riveness
Anderson	Dille	Krentz	Murphy	Robertson
Beckman	Finn	Kroening	Neuville	Runbeck
Benson, D.D.	Frederickson	Langseth	Oliver	Sams
Benson, J.E.	Hanson	Larson	Olson	Samuelson
Berg	Hottinger	Lesewski	Pappas	Spear
Berglin	Johnson, D.E.	Lessard	Pariseau	Stevens
Bertram	Johnson, J.B.	Luther	Piper	Stumpf
Betzold	Johnston	Marty	Pogemiller	Terwilliger
Chandler	Kelly	McGowan	Price	Vickerman
Chmielewski	Kiscaden	Metzen	Ranum	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1063 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1063: A bill for an act relating to commerce; currency exchanges;

changing the date for submission of license renewal applications; amending Minnesota Statutes 1992, section 53A.03.

Ms. Wiener moved to amend H.F. No. 1063, the unofficial engrossment, as follows:

Page 3, line 11, strike "and who"

Page 3, strike line 12

Page 3, line 17, strike "court administrator of the"

Page 3, strike line 18

Page 3, line 19, strike everything before "as" and insert "commissioner"

Page 3, line 33, strike "six" and insert "five"

Page 4, line 30, strike "the name of the county for which appointed,"

The motion prevailed. So the amendment was adopted.

Ms. Wiener then moved that H.F. No. 1063 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 889 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 889: A bill for an act relating to economic development; clarifying provisions relating to the department of trade and economic development; clarifying the duties of the commissioner; amending Minnesota Statutes 1992, sections 17.49, subdivision 1; 18.024, subdivision 1; 86.72, subdivision 3; 86A.06; 86A.09, subdivisions 1, 2, 3, and 4; 92.35; 92.36; 103F.135, subdivision 1; 116J.01, by adding a subdivision; 116J.402; 116J.58, subdivision 1; 116J.61; 116J.68, subdivision 2; 116J.873, subdivisions 3 and 4; 116J.966, subdivision 1; 116J.980, subdivisions 1 and 2; 137.31, subdivision 6; 138.93, subdivision 4; 144.95, subdivision 7; 173.17; 216B.242; 216C.37, subdivision 1; 299A.01, subdivision 2; 446A.03, subdivision 1; 446A.10, subdivision 2; 473.857, subdivision 2; 473H.06, subdivision 5; and 641.24; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1992, sections 84.54; 86A.10; 116J.01, subdivision 3; 116J.615, subdivision 2; 116J.645; 116J.661; 116J.982; 116J.983; 116J.984; 301A.01; 301A.02; 301A.03; 301A.04; 301A.05; 301A.06; 301A.07; 301A.08; 301A.09; 301A.10; 301A.11; 301A.12; 301A.13; and 301A.14.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Finn	Johnson, J.B.	Kroening
Anderson	Betzold	Flynn	Johnston	Langseth
Beckman	Chandler	Frederickson	Kelly	Larson
Benson, D.D.	Chmielewski	Hanson	Kiscaden	Lesewski
Benson, J.E.	Day	Hottinger	Knutson	Lessard
Berglin	Dille	Johnson, D.E.	Krentz	Luther

Marty McGowan	Oliver Olson	Price Ranum	Samuelson Solon	Vickerman Wiener
Metzen	Pappas	Riveness	Spear	
Moe, R.D.	Pariseau	Robertson	Stevens	
Murphy	Piper	Runbeck	Stumpf	
Newville	Pogemiller	Sams	Terwilliger	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1579 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1579: A bill for an act relating to public finance; changing procedures for allocating tax credits; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 462A.221, by adding subdivisions; 462A.222, subdivision 3; 474A.047, subdivision 1; and 474A.061, subdivision 2a.

Mrs. Benson, J.E. moved to amend H.F. No. 1579, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1487.)

Page 3, after line 17, insert:

“Sec. 4. Minnesota Statutes 1992, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, 1991, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) ~~\$65,000,000~~ \$59,000,000 to the small issue pool;
- (2) \$46,000,000 to the housing pool;
- (3) \$10,000,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (3), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Sec. 5. Minnesota Statutes 1992, section 474A.03, subdivision 2a, is amended to read:

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities and county:

- (1) \$51,000,000 per year to the Minnesota housing finance agency, less any amount received in the previous year under section 474A.091, subdivision 6;
- (2) \$20,000,000 per year to the city of Minneapolis;

(3) \$15,000,000 per year to the city of Saint Paul; and

(4) \$10,000,000 per year to the Dakota county housing and redevelopment authority for the county of Dakota and all political subdivisions located within the county; and

(5) \$6,000,000 per year to the city of St. Cloud.

(b) Allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, or residential rental project bonds, except that entitlement cities may also use their allocations for public facility bonds."

Page 10, line 17, delete "3, 5, and 7" and insert "5, 7, and 9"

Page 10, line 18, delete "5" and insert "7"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after "3;" insert "474A.03, subdivisions 1 and 2a;"

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1579 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Robertson
Anderson	Dille	Krentz	Murphy	Runbeck
Beckman	Finn	Kroening	Neuville	Sams
Belanger	Flynn	Langseth	Novak	Samuelson
Benson, D.D.	Frederickson	Larson	Oliver	Solon
Benson, J.E.	Hanson	Lesewski	Olson	Spear
Berg	Hottinger	Lessard	Pariseau	Stevens
Berglin	Johnson, D.E.	Luther	Piper	Stumpf
Bertram	Johnson, J.B.	Marty	Pogemiller	Vickerman
Betzold	Johnston	McGowan	Price	Wiener
Chandler	Kelly	Metzen	Ranum	
Chmielewski	Kiscaden	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 584 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 584: A bill for an act relating to utilities; regulating telephone services to communication-impaired persons; amending Minnesota Statutes 1992, sections 237.49; 237.50, subdivision 3; 237.51, subdivision 2; and 237.52, subdivision 2; repealing Laws 1987, chapter 308, section 8.

Ms. Johnson, J.B. moved to amend H.F. No. 584, the unofficial engrossment, as follows:

Page 7, after line 25, insert:

“Sec. 15. Minnesota Statutes 1992, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their

production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist or consulting psychologist shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity.

(h) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent

of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

“Sexual assault counselor” for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(m) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(n) *A communication assistant for a telecommunications relay system for communication-impaired persons shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 584, the unofficial engrossment, as follows:

Page 8, after line 5, insert:

“Sec. 18. [TELEPHONE SERVICE FOR THE BLIND.]

The department of public service shall study the feasibility of providing free directory and operator services to blind individuals. The study shall analyze the cost to rate payers if the cost of the free services is included as part of the rate for local service by a telephone company.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 584 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Mondale	Price
Anderson	Dille	Knutson	Morse	Ranum
Beckman	Finn	Krentz	Murphy	Riveness
Belanger	Flynn	Langseth	Neuville	Runbeck
Benson, D.D.	Frederickson	Larson	Novak	Sams
Benson, J.E.	Hanson	Lesewski	Oliver	Samuelson
Berg	Hottinger	Luther	Olson	Solon
Berglin	Johnson, D.E.	Marty	Pappas	Spear
Bertram	Johnson, J.B.	McGowan	Pariseau	Stevens
Betzold	Johnston	Metzen	Piper	Stumpf
Chandler	Kelly	Moe, R.D.	Pogemiller	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 962 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 962: A bill for an act relating to metropolitan government; requiring a classroom noise study.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kelly	Murphy	Sams
Anderson	Dille	Krentz	Novak	Samuelson
Beckman	Finn	Kroening	Pappas	Solon
Belanger	Flynn	Larson	Piper	Spear
Berg	Frederickson	Lessard	Pogemiller	Stumpf
Berglin	Hanson	Luther	Price	Terwilliger
Bertram	Hottinger	Metzen	Ranum	Vickerman
Betzold	Johnson, D.E.	Mondale	Riveness	Wiener
Chandler	Johnson, J.B.	Morse	Runbeck	

Those who voted in the negative were:

Benson, D.D.	Johnston	Lesewski	Oliver	Robertson
Benson, J.E.	Kiscaden	McGowan	Olson	Stevens
Day	Knutson	Neuville	Pariseau	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 853 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 853: A bill for an act relating to retirement; volunteer firefighters' relief associations; increasing service pension maximums; establishing a fire state aid maximum apportionment; providing penalties for noncompliance with service pension maximums; specifying duties for the state auditor; ratifying certain prior nonconforming lump sum service pension payments; continuing certain nonconforming lump sum service pension amounts in

force; modifying certain investment performance calculations; modifying certain local volunteer firefighters relief association provisions; amending Minnesota Statutes 1992, sections 11A.04; 356.218, subdivisions 2 and 3; and 424A.02, subdivisions 1, 3, and by adding subdivisions; Laws 1971, chapter 140, section 5, as amended.

Mr. Berg moved to amend S.F. No. 853 as follows:

Page 15, after line 4, insert:

"ARTICLE 5
PROHIBITION OF USE OF
LAWFUL GAMBLING CONTRIBUTIONS FOR PENSIONS

Section 1. Minnesota Statutes 1992, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, and the tax imposed by

section 349.212, subdivisions 1 and 4, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; or

(ii) \$15,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; or

(12) payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing

organization within one year of the contribution any money; grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure; or

(7) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

Sec. 2. [471.6151] [CONTRIBUTIONS FROM LAWFUL GAMBLING ORGANIZATIONS.]

Contributions of receipts derived from lawful gambling to a statutory or home rule charter city, county, or town made by an organization licensed to conduct lawful gambling under chapter 349 may not be used for the benefit of a pension or retirement fund.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 853 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Robertson
Anderson	Dille	Kroening	Neuville	Runbeck
Beckman	Finn	Langseth	Novak	Sams
Belanger	Flynn	Larson	Oliver	Samuelson
Benson, D.D.	Frederickson	Lesewski	Olson	Solon
Benson, J.E.	Hanson	Lessard	Pappas	Spear
Berg	Hottinger	Luther	Pariseau	Stevens
Berglin	Johnson, D.E.	Marty	Piper	Stumpf
Bertram	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Betzold	Johnson	Meitzen	Price	Vickerman
Chandler	Kelly	Moe, R.D.	Ranum	
Chmielewski	Knutson	Mondale	Riveness	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R. D., Chair of the Committee on Rules and Administration, designated H.F. No. 574 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 574: A bill for an act relating to retirement; administrative changes, age discrimination act compliance, death-while-active surviving spouse benefit improvements by the Minnesota state retirement system, the public employees retirement association, and teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, and 7; 352.115, subdivision 8; 352.12, subdivisions 1, 2, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivisions 3 and 11; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.105; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding subdivisions; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1 and 5a; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivisions 1 and 2; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352D.05, subdivision 5; and 353.656, subdivision 6.

Mr. Stumpf moved that the amendment made to H.F. No. 574 by the Committee on Rules and Administration in the report adopted May 4, 1993, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Stumpf then moved that H.F. No. 574 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 550 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 550: A bill for an act relating to agriculture; regulating activities relating to restricted species; creating a restricted species task force; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

Mr. Dille moved to amend S.F. No. 550 as follows:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1992, section 35.95, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 5, a person who violates this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the board is subject to a civil penalty of up to \$10,000 as determined by the ~~court~~ board.

Sec. 2. Minnesota Statutes 1992, section 35.95, subdivision 5, is amended to read:

Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney, *the board*, or the attorney general in the name of the state.”

Page 2, line 8, after “increase” insert “by more than 25 percent”

Page 3, line 22, after the comma, insert “a representative of the Minnesota pork producers association,”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “board of animal health; regulating the imposition and collection of civil penalties;”

Page 1, line 5, after the semicolon, insert “amending Minnesota Statutes 1992, section 35.95, subdivisions 1 and 5;”

Mr. Dille requested division of the amendment as follows:

First portion:

Page 2, line 8, after “increase” insert “by more than 25 percent”

Second portion:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1992, section 35.95, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 5, a person who violates this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the board is subject to a civil penalty of up to \$10,000 as determined by the ~~court~~ board.

Sec. 2. Minnesota Statutes 1992, section 35.95, subdivision 5, is amended to read:

Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney, *the board*, or the attorney general in the name of the state.”

Page 3, line 22, after the comma, insert “a representative of the Minnesota pork producers association,”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "board of animal health; regulating the imposition and collection of civil penalties;"

Page 1, line 5, after the semicolon, insert "amending Minnesota Statutes 1992, section 35.95, subdivisions 1 and 5;"

The question was taken on the adoption of the first portion of the Dille amendment.

The roll was called, and there were yeas 38 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Murphy	Sams
Beckman	Dille	Langseth	Neuville	Spear
Belanger	Frederickson	Larson	Oliver	Stevens
Benson, D.D.	Hanson	Lesewski	Olson	Stumpf
Benson, J.E.	Hottinger	Lessard	Pariseau	Terwilliger
Berg	Johnson, D.E.	McGowan	Rivness	Vickerman
Bertram	Johnston	Mondale	Robertson	
Chmielewski	Kiscaden	Morse	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Luther	Pappas	Reichgott
Berglin	Johnson, J.B.	Marty	Piper	Samuelson
Betzold	Kelly	Metzen	Pogemiller	Wiener
Chandler	Krentz	Moe, R.D.	Price	
Finn	Kroening	Novak	Ranum	

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the Dille amendment.

The roll was called, and there were yeas 51 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Lesewski	Oliver	Samuelson
Anderson	Frederickson	Lessard	Olson	Solon
Beckman	Hanson	Marty	Pappas	Spear
Belanger	Hottinger	McGowan	Pariseau	Stevens
Benson, D.D.	Johnson, D.E.	Metzen	Piper	Stumpf
Benson, J.E.	Johnston	Moe, R.D.	Price	Terwilliger
Berg	Kelly	Mondale	Reichgott	Wiener
Bertram	Kiscaden	Morse	Rivness	
Chmielewski	Knutson	Murphy	Robertson	
Day	Langseth	Neuville	Runbeck	
Dille	Larson	Novak	Sams	

Those who voted in the negative were:

Berglin	Chandler	Johnson, J.B.	Kroening	Ranum
Betzold	Flynn	Krentz	Luther	

The motion prevailed. So the second portion of the amendment was adopted.

S.F. No. 550 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Riveness
Anderson	Dille	Kroening	Murphy	Robertson
Beckman	Finn	Langseth	Neuville	Runbeck
Belanger	Flynn	Larson	Novak	Sams
Benson, D.D.	Frederickson	Lesewski	Oliver	Samuelson
Benson, J.E.	Hanson	Lessard	Olson	Solon
Berg	Hottinger	Luther	Pariseau	Spear
Berglin	Johnson, J.B.	Marty	Piper	Stevens
Bertram	Johnston	McGowan	Pogemiller	Stumpf
Betzold	Kelly	Metzen	Price	Terwilliger
Chandler	Kiscaden	Moe, R.D.	Ranum	Vickerman
Chmielewski	Knutson	Mondale	Reichgott	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 874 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 874: A bill for an act relating to traffic regulations; authorizing cities of the second class to establish programs for citizen enforcement of laws governing parking spaces for persons with disabilities; amending Minnesota Statutes 1992, section 169.346, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Reichgott
Anderson	Dille	Krentz	Murphy	Robertson
Beckman	Finn	Kroening	Neuville	Runbeck
Belanger	Flynn	Langseth	Novak	Sams
Benson, D.D.	Frederickson	Larson	Oliver	Samuelson
Benson, J.E.	Hanson	Lesewski	Olson	Solon
Berg	Hottinger	Lessard	Pappas	Spear
Berglin	Johnson, D.E.	Luther	Pariseau	Stevens
Bertram	Johnson, J.B.	Marty	Piper	Stumpf
Betzold	Johnston	McGowan	Pogemiller	Terwilliger
Chandler	Kelly	Moe, R.D.	Price	Vickerman
Chmielewski	Kiscaden	Mondale	Ranum	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 264 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 264: A bill for an act relating to housing; changing program review requirements; increasing deferred loan limits; expanding the types of eligible users of the homesharing program; expanding the project eligibility of the housing trust fund; authorizing cities to sell single-family residential housing under the neighborhood land trust program; expanding the types of eligible service providers and changing the authorized payment structure of the rental assistance for family stabilization program; increasing the income limits for

rental housing assistance; establishing the community rehabilitation fund account; consolidating the blighted residential property and capital reserve programs; authorizing tribal Indian housing demonstration projects; appropriating money; amending Minnesota Statutes 1992, sections 462A.05, subdivisions 14a and 24; 462A.07, subdivisions 14 and 15; 462A.201, subdivision 2; 462A.202, subdivision 7; 462A.205, subdivisions 2, 3, 4, 5, 6, 7, and by adding subdivisions; 462A.21, subdivision 8c and by adding a subdivision; and 462C.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1992, sections 462A.05, subdivision 37; and 462A.32.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Reichgott
Anderson	Dille	Krentz	Morse	Robertson
Beckman	Finn	Kroening	Murphy	Sams
Belanger	Flynn	Langseth	Neuville	Samuelson
Benson, D.D.	Frederickson	Larson	Novak	Solon
Benson, J.E.	Hanson	Lesewski	Oliver	Spear
Berg	Hottinger	Lessard	Olson	Stevens
Berglin	Johnson, D.E.	Luther	Pappas	Stumpf
Bertram	Johnson, J.B.	Marty	Pariseau	Terwilliger
Betzold	Johnston	McGowan	Pogemiller	Vickerman
Chandler	Kelly	Metzen	Price	Wiener
Chmielewski	Kiscaden	Moe, R.D.	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1311 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1311: A bill for an act relating to local government; providing for the continuation of the Mississippi River parkway commission; amending Minnesota Statutes 1992, section 161.1419, subdivision 8.

Mr. McGowan moved to amend H.F. No. 1311, the unofficial engrossment, as follows:

Page 1, line 9, delete the new language

Page 1, line 10, delete the new language and strike "expire"

Page 1, line 11, before the period, insert "*expires June 30, 1995*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1311 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hanson	Luther	Pariseau	Stumpf
Berg	Hottinger	Marty	Piper	Terwilliger
Berglin	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Bertram	Johnston	Metzen	Price	Wiener
Betzold	Kelly	Moe, R.D.	Ranum	
Chandler	Kiscaden	Mondale	Reichgott	
Chmielewski	Knutson	Morse	Robertson	
Cohen	Krentz	Murphy	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 832 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 832: A bill for an act relating to occupations and professions; regulating athletic trainers; establishing an advisory council; providing for registration; requiring fees; providing for rulemaking; imposing penalties; appropriating money; amending Minnesota Statutes 1992, section 116J.70, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 148.

Mr. Hottinger moved to amend S.F. No. 832 as follows:

Page 6, line 12, delete "seven" and insert "eight"

Page 6, line 17, after "trainers" insert "*one being both a registered physical therapist and registered athletic trainer as submitted by the Minnesota American Physical Therapy Association*" and delete "and"

Page 6, line 20, before the period, insert "*and*"

(4) one member who is a doctor of chiropractic licensed by the state and has experience with athletic training and sports injuries"

Page 7, after line 2, insert:

"(7) advise the board regarding evaluation and treatment protocols;"

Page 7, line 3, delete "(7)" and insert "(8)"

Page 7, line 5, delete "(8)" and insert "(9)"

Page 7, line 19, after "rehabilitation" insert "*of athletic injuries to athletes in the primary employment site*"

Page 7, line 26, after the comma, insert "*except in a corporate setting,*"

Page 7, line 27, delete "a person" and insert "*an athlete*"

Page 7, line 28, after "days" insert "*, or a period of time as designated by the primary physician on the protocol form,*"

Page 7, line 32, delete "licensed medical physician" and insert "*person licensed in this state to practice medicine as defined in section 147.081, to practice chiropractic as defined in section 148.01, to practice podiatry as*

defined in section 153.01, or to practice dentistry as defined in section 150A.05 and whose license is in good standing”

Page 8, line 6, after “physician” insert “or other treating provider”

Page 8, line 9, delete “or” and insert a comma and after “corporate” insert “, and”

Page 8, line 12, after “therapist” insert “as defined in section 148.65”

Page 8, lines 16 and 17, delete “licensed medical physician” and insert “person licensed in this state to practice medicine as defined in section 147.081, to practice chiropractic as defined in section 148.01, to practice podiatry as defined in section 153.01, or to practice dentistry as defined in section 150A.05 and whose license is in good standing and in accordance with established evaluation and treatment protocols”

Page 9, line 27, delete “clause” and insert “clauses” and after “(2)” insert “and (9)”

The motion prevailed. So the amendment was adopted.

S.F. No. 832 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Novak	Sams
Anderson	Dille	Langseth	Oliver	Samuelson
Beckman	Finn	Larson	Olson	Solon
Belanger	Flynn	Lesewski	Pappas	Spear
Benson, D.D.	Frederickson	Lessard	Pariseau	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Johnson, D.E.	Marty	Pogemiller	Terwilliger
Berglin	Johnson, J.B.	McGowan	Price	Vickerman
Bertram	Johnston	Metzen	Ranum	Wiener
Betzold	Kelly	Moe, R.D.	Reichgott	
Chandler	Kiscaden	Mondale	Riverness	
Chmielewski	Knutson	Morse	Robertson	
Cohen	Krentz	Murphy	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 338 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 338: A bill for an act relating to economic development; creating Minnesota Business Finance, Inc. to provide capital for commercial borrowers through the Small Business Administration; providing for powers and duties of a board of directors and employees; transferring funds from the certified development company established under the department of trade and economic development to the new corporation; appropriating money; amending Minnesota Statutes 1992, section 13.99, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 116S; repealing Minnesota Statutes 1992, sections 41A.065 and 116J.985.

Ms. Kiscaden moved to amend S.F. No. 338 as follows:

Page 6, after line 28, insert:

"Sec. 12. [116S.11] [RELATIONSHIP TO OTHER CERTIFIED DEVELOPMENT COMPANIES.]

The corporation must refer all small business administration 504 projects to a local certified development company if a local certified development company serves the area where the project is located. If the local certified development company is unable to assist a business it must inform the business that it can apply for the project through the corporation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 338 as follows:

Page 6, after line 32, insert:

"Sec. 13. [MANUFACTURING COLLABORATIVE NETWORK GRANT.]

Subdivision 1. [PURPOSE.] The purpose of this section is to promote the industrial development of the state of Minnesota by fostering creation of collaborative flexible manufacturing networks to assist small manufacturers in joint purchase of products and services, in the production of new products beyond the capability of individual firms, and to promote use of quality management and quality assurance programs.

Subd. 2. [AUTHORITY.] Minnesota Technology, Inc., may approve one grant of funds. Any grant made to an eligible nonprofit organization as described in subdivision 3 shall be used for the purposes stated in subdivision 1.

Subd. 3. [ELIGIBILITY.] The manufacturing collaborative network grant authorized under this section must be made to a nonprofit organization that has a dues-paying membership of more than 50 firms, each with fewer than 300 employees. The board of directors governing the nonprofit organization must be elected solely by members that manufacture goods or that provide related value added services. Membership of the nonprofit organization must include firms that produce a wide range of goods and services.

Subd. 4. [MATCHING FUNDS REQUIREMENT.] The selected nonprofit organization must provide one dollar of nonpublic matching funds for each dollar granted under this section.

Subd. 5. [REPORT TO THE LEGISLATURE.] The president of Minnesota Technology, Inc., must report to the legislature by January 15, 1994, on the progress of the grant recipient in forming manufacturing networks."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 338 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Neuville	Runbeck
Anderson	Dille	Kroening	Novak	Sams
Beckman	Finn	Larson	Oliver	Samuelson
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hanson	Luther	Pariseau	Stumpf
Berg	Hottinger	Marty	Piper	Terwilliger
Berglin	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Bertram	Johnson, J.B.	Metzen	Price	Wiener
Betzold	Johnston	Moe, R.D.	Ranum	
Chandler	Kelly	Mondale	Reichgott	
Chmielewski	Kiscaden	Morse	Riveness	
Cohen	Knutson	Murphy	Robertson	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1018 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1018: A bill for an act relating to limited liability companies; requiring biennial registration; proposing coding for new law in Minnesota Statutes, chapter 322B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Novak	Sams
Anderson	Finn	Larson	Oliver	Samuelson
Beckman	Frederickson	Lesewski	Olson	Solon
Benson, D.D.	Hanson	Lessard	Pappas	Spear
Benson, J.E.	Hottinger	Luther	Pariseau	Stevens
Berglin	Johnson, D.E.	Marty	Pogemiller	Stumpf
Bertram	Johnson, J.B.	McGowan	Price	Terwilliger
Betzold	Johnston	Metzen	Ranum	Vickerman
Chandler	Kelly	Moe, R.D.	Reichgott	Wiener
Chmielewski	Kiscaden	Morse	Riveness	
Cohen	Knutson	Murphy	Robertson	
Day	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1290 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1290: A bill for an act relating to local government; permitting the

cities of Bloomington, Edina, Richfield, Eden Prairie, Minnetonka, Maple Grove, and Plymouth to establish a transportation demand management program; providing for a transportation demand management plan for the capitol complex.

Ms. Wiener moved to amend S.F. No. 1290 as follows:

Page 1, line 22, after "and" insert "commercial"

Page 2, line 1, after "and" insert "commercial"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend S.F. No. 1290 as follows:

Page 2, line 1, after "employers" insert "of more than 100 employees"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 41, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Langseth	Pariseau	Vickerman
Benson, D.D.	Janezich	Larson	Runbeck	
Benson, J.E.	Johnston	Lesewski	Sams	
Berg	Kiscaden	Neuville	Stevens	
Bertram	Knutson	Olson	Stumpf	

Those who voted in the negative were:

Anderson	Frederickson	Luther	Novak	Robertson
Belanger	Hanson	Marty	Oliver	Solon
Berglin	Hottinger	McGowan	Pappas	Spear
Betzold	Johnson, D.E.	Merriam	Piper	Terwilliger
Chandler	Johnson, J.B.	Metzen	Pogemiller	Wiener
Cohen	Krentz	Moe, R.D.	Price	
Day	Kroening	Mondale	Ranum	
Finn	Laidig	Morse	Reichgott	
Flynn	Lessard	Murphy	Riveness	

The motion did not prevail. So the amendment was not adopted.

Ms. Olson moved to amend S.F. No. 1290 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1992, section 161.123, is amended to read:

161.123 [HIGHWAY CONSTRUCTION; PROHIBITIONS.]

Following May 31, 1975 the department of transportation shall not cause any construction on, nor shall any lands be acquired for, any of the trunk highways designated as I-335; proposed I-394 between I-494 and the Hawthorne interchange; nor for any extension or connector of the Dartmouth interchange of the interstate route designated as I-94, except for a connection from Fulton Avenue and Huron Street to University Avenue Southeast and 25th Avenue Southeast generally via Huron Street and 25th Avenue Southeast; nor shall the department construct or improve Legislative Route No. 116, marked trunk highway route No. 55, within the city of Minneapolis, to freeway or expressway standards; provided, that nothing in this section shall be construed to prohibit the department from taking the following actions:

(1) Construction of a parkway facility of not more than four lanes of traffic in the corridor previously designated for I-335 in the city of Minneapolis.

(2) Construction of not more than six lanes of travel on Legislative Routes No. 10 and No. 107 marked TH12 between I-494 and the Hawthorne interchange in the city of Minneapolis, *except that existing available paved road surface and right-of-way may be utilized to provide additional lanes of travel*; provided that no additional lands shall be acquired for any such purpose except which is necessary for construction of six lanes of travel on said highway.

(3) Generally utilizing and widening present lanes of travel, increasing the number of lanes of travel up to but not exceeding six lanes, and upgrading Legislative Route No. 116 within the city of Minneapolis generally along its present traveled corridor.

(4) Preparation of any environmental impact statements, recreational and other land use reports, and other elements of the planning process required by federal and state law, utilizing the most reasonably recent available data, on the following:

Routes and corridors enumerated above and all feasible and prudent alternate routes and corridors, giving the fullest possible consideration to each, without regard to prior authorization or to whether legislative approval or other action is necessary. In the preparation of such environmental impact statements the commissioner shall analyze and evaluate:

(a) Design modifications which may mitigate any adverse environmental impact; and

(b) The recommendations of the metropolitan council, transportation advisory board, and interstate study committee as reported to the legislature pursuant to Laws 1975, chapter 203, section 16; and

(c) All other matters required of an environmental impact statement by applicable state and federal laws.

Any highway facility authorized by this section shall be compatible with the immediate residential areas through which it passes. Upon the completion of any highway facility authorized herein, any right-of-way previously acquired within the utilized corridor and not needed for the construction and maintenance of such facility, shall be transferred to the city within which such excess right-of-way is located, for public purposes, or sold for utilization in a manner compatible with the immediate residential area through which it passes, such excess right-of-way being determined by order of the commissioner. The transfer shall be evidenced by a quit claim deed, in such form as the attorney general approves, executed by the governor in the name of the state of Minnesota to such city.

The commissioner of transportation shall consider a parkway or other alternatives for that portion of the trunk highway designated as I-35 or Route No. 390 in the city of Duluth."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Belanger questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Ms. Olson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 38 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kroening	Morse	Riveness
Beckman	Finn	Lessard	Murphy	Sams
Belanger	Flynn	Luther	Pappas	Spear
Berg	Hanson	Marty	Piper	Stumpf
Berglin	Hottinger	Merriam	Pogemiller	Vickerman
Bertram	Janezich	Metzen	Price	Wiener
Betzold	Johnson, J.B.	Moe, R.D.	Ranum	
Chandler	Krentz	Mondale	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Johnson, D.E.	Laidig	Neuville	Robertson
Benson, J.E.	Johnston	Larson	Oliver	Runbeck
Day	Kiscaden	Lesewski	Olson	Stevens
Frederickson	Knutson	McGowan	Pariseau	Terwilliger

The decision of the President was sustained.

S.F. No. 1290 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Metzen	Reichgott
Anderson	Dille	Krentz	Moe, R.D.	Riveness
Beckman	Finn	Kroening	Mondale	Robertson
Belanger	Flynn	Laidig	Murphy	Runbeck
Benson, D.D.	Frederickson	Langseth	Neuville	Sams
Benson, J.E.	Hanson	Larson	Oliver	Solon
Berg	Hottinger	Lesewski	Pappas	Spear
Berglin	Janezich	Lessard	Pariseau	Stevens
Bertram	Johnson, D.E.	Luther	Piper	Stumpf
Betzold	Johnson, J.B.	Marty	Pogemiller	Terwilliger
Chandler	Johnston	McGowan	Price	Vickerman
Cohen	Kiscaden	Merriam	Ranum	Wiener

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 1503. The motion prevailed.

S.F. No. 1503 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1503

A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to

be collected in certain cases; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

May 4, 1993

The Honorable Allan H. Spear
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1503, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1503 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. APPROPRIATION SUMMARY – ALL ARTICLES

	1994	1995	TOTAL
General	\$231,294,000	\$240,608,000	\$471,902,000
Special Revenue	4,136,000	4,136,000	8,272,000
Workers' Compensation	1,284,000	1,294,000	2,578,000
TOTAL	\$236,714,000	\$246,038,000	\$482,752,000

ARTICLE 2

Section 1. CRIMINAL JUSTICE; APPROPRIATIONS

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures “1994” and “1995,” where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994 or June 30, 1995, respectively.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$224,477,000	\$234,012,000	\$458,489,000
Special Revenue	4,136,000	4,136,000	8,272,000
TOTAL	\$228,613,000	\$238,148,000	\$466,761,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

**Sec. 2. BOARD OF PEACE OFFICER
STANDARDS AND TRAINING**

\$ 4,136,000 \$ 4,136,000

This appropriation is from the peace officers training account in the special revenue fund. Any funds deposited into the peace officer training account in the special revenue fund in fiscal year 1994 or fiscal year 1995 in excess of \$4,136,000 must be transferred and credited to the general fund.

By February 1, 1994, the peace officer standards and training board shall report and make recommendations regarding reimbursements to local units of government for continuing education. This report shall include state and local goals for peace officer education, curriculum requirements for reimbursement, and an analysis of the current availability and quality of programs. The board shall develop a recommendation regarding a methodology for reimbursement that allocates resources equitably across the state and within a local unit of government; that reimburses for actual expenses incurred; and that ensures accountability for the use of reimbursement funds.

The board also shall make recommendations regarding the use of appropriations from penalty assessments for the improvement of law enforcement education, such as development of graduate programs, scholarships, research programs, and degree incentive programs.

Sec. 3. BOARD OF PUBLIC DEFENSE

Subdivision 1. Total Appropriation

25,885,000 25,885,000

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

The amounts that may be spent from this appropriation for each program are specified in this subdivision and the following subdivisions.

Subd. 2. State Public Defender

2,415,000	2,415,000
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During the biennium, legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

Subd. 3. District Public Defense

21,943,000	21,943,000
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Of this appropriation, \$551,000 the first year and \$619,000 the second year are for provision of group insurance coverage to district public defenders who meet the eligibility standards set by the board of public defense in consultation with the commissioner of employee relations.

Subd. 4. Board of Public Defense

1,527,000	1,527,000
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\$904,000 each year is for grants to the five existing public defense corporations under Minnesota Statutes, section 611.216.

\$50,000 the first year is for Indian child welfare defense corporation grants under Minnesota Statutes, section 611.216, subdivision 1a, as added by this act, to be available until June 30, 1995. The funds must be matched dollar for dollar by nonstate funds. This is a one-time appropriation.

Subd. 5. Transfers

The board of public defense may transfer unencumbered balances among the programs specified in this section after notifying the commissioner of finance. The transfer must be reported immediately to the committee on finance of the senate and the house of representatives ways and means committee.

Sec. 4. CORRECTIONS

197,796,000	207,352,000
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The amounts that may be spent from the appropriation for each program and activity are more specifically described in the following subdivisions.

Any unencumbered balances remaining in the first year do not cancel but are available for the second year of the biennium.

Positions and administrative money may be transferred within the department of corrections as the commissioner considers necessary, upon the advance approval of the commissioner of finance.

For the biennium ending June 30, 1995, the commissioner of corrections may, with the approval of the commissioner of finance, transfer funds to or from salaries.

For the biennium ending June 30, 1995, and notwithstanding Minnesota Statutes, section 243.51, the commissioner of corrections may enter into agreements with the appropriate officials of any state, political subdivision, or the United States, for housing prisoners in Minnesota correctional facilities. Money received under the agreements is appropriated to the commissioner for correctional purposes.

During the biennium ending June 30, 1995, whenever offenders are assigned for the purpose of work under agreement with a state department or agency, local unit of government, or other government subdivision, the state department or agency, local unit of government, or other government subdivision must certify to the appropriate bargaining agent that the work performed by inmates will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

The commissioner of corrections shall discuss with the office of tourism the feasibility of using prison inmates in the office's tourism promotion program to respond to telephone inquiries concerning Minnesota's tourism and recreational opportunities.

The commissioner of corrections shall meet with the chairs of the house judiciary committee and judiciary finance division and the senate crime prevention committee and crime prevention finance division or their designees, and with representatives of community corrections agencies in order to: (1) develop a long-

range plan for adequately incarcerating convicted offenders who have failed to abide by their conditions of probation; and (2) consider whether per diem fees should be assessed to counties for the costs of confining juveniles at the Minnesota correctional facilities at Sauk Centre and Red Wing.

The representatives of community corrections agencies shall be selected as follows: two persons selected by the Minnesota association of community corrections act counties, one from a metropolitan county and one from a nonmetropolitan county; and two persons selected by the Minnesota association of county probation officers, one from a metropolitan county and one from a nonmetropolitan county.

The commissioner shall report the findings and recommendations of this group to the legislature by February 1, 1994.

Subdivision 1. Correctional Institutions

135,574,000	141,592,000
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The commissioner of corrections shall develop criteria and prepare guidelines to be used by the department of corrections in future planning for (1) the capacities, needs, location, and security level of correctional facilities; (2) the proximity of correctional facilities to the origin of the inmate population; and (3) the recruitment and retention of a qualified workforce. The criteria and guidelines shall include the potential and projected availability of state-owned facilities, the potential use of vacant governmental facilities for use as state-owned or managed correctional facilities, the cost effectiveness of converting these facilities compared with new construction, and the availability of state employees from other state agencies as a potential workforce pool. The commissioner may consult with staff from the department of administration, building construction division, in the development of the guidelines. The guidelines shall be presented to the house judiciary committee, the senate crime prevention committee, and their finance divisions by February 1, 1994.

The advisory task force on the juvenile justice system is requested to assess the state's need for juvenile correctional facilities. The task force shall make recommendations regarding the need for secure juvenile detention centers to house both preadjudicated and postadjudicated juveniles. These recommendations shall address whether the centers should be regionally based or state controlled and whether they should provide long-term or short-term detention programs. The task force is requested to include its recommendations on this issue in the report it submits to the legislature on December 1, 1993.

Subd. 2. Community Services

47,538,000 49,489,000

Of this amount, \$500,000 is for grants to counties under Minnesota Statutes, section 169.1265, to pay the costs of developing and operating intensive probation programs for repeat DWI offenders.

\$594,000 shall be transferred in fiscal year 1995 from this appropriation to the community corrections act for base level funding for Stearns county.

A working group is created to study the funding and delivery of correctional services at the community level. The working group will consist of representatives from and appointed by the following agencies and organizations: the governor's office, four members of the legislature (one senator and one state representative appointed by the majority caucuses in each body; and one senator and one state representative appointed by the minority caucus in each body); the department of corrections, the Minnesota association of county probation officers, the Minnesota association of community corrections act counties, the association of Minnesota counties, the metropolitan inter-county association, and the conference of chief judges.

The working group shall study whether:

(1) community corrections service delivery systems should be based at the county or state level;

(2) a single funding system should be instituted for county operations;

(3) the community corrections act funding formula should be changed; and

(4) whether small counties under a new funding system should be required to regionalize their service delivery systems. The group shall report its findings and recommendations to the appropriate committees of the legislature by February 1, 1994.

Subd. 3. Management Services

14,684,000	16,271,000
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Of this amount, \$400,000 is for new battered women's shelters.

When awarding grants for victim's programs and services, the commissioner shall give priority to geographic areas that are unserved or underserved by programs or services.

Of this amount, \$500,000 is appropriated to the commissioner of corrections for mini-computer upgrades. Before the department may purchase the upgrades, the department must demonstrate to the information policy office that the upgrades will meet processing needs.

Subd. 4. Transfers

The commissioner of corrections may transfer unencumbered balances among the programs specified in this section after getting the approval of the commissioner of finance. The commissioner of finance shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the house of representatives ways and means committee.

Sec. 5. CORRECTIONS OMBUDSMAN	459,000	459,000
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Sec. 6. SENTENCING GUIDELINES COMMISSION	337,000	316,000
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Sec. 7. UNCODIFIED LANGUAGE

All uncodified language contained in this

article expires on June 30, 1995, unless a different expiration is explicit.

Sec. 8. Minnesota Statutes 1992, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the housing finance agency, the higher education coordinating board, the higher education facilities authority, the armory building commission, the zoological board, the iron range resources and rehabilitation board, the state agricultural society, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. *Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender appointed by the state board of public defense or assistant district public defender in the second or fourth judicial district.*

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 9. Minnesota Statutes 1992, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards, and committees established by the supreme court, the board of law examiners, the law library, the office of the *state* public defender, *district public defenders and their employees*, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, court administrator or employee of the court and guardian ad litem program employees in the eighth judicial district, and other agencies placed in the judicial branch by law. Judicial branch does not include *district administration or public defenders or their employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees*

within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Sec. 10. Minnesota Statutes 1992, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the office of the district administrator that is not in the second or fourth judicial district; a court administrator or employee of the court administrator in the eighth judicial district, and a guardian ad litem program administrator in the eighth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than

required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) an employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance; and

(j) *employees of the state public defender's office, and district public defenders and their employees other than in the second and fourth judicial districts, with eligibility determined by the state board of public defense in consultation with the commissioner of employee relations.*

Sec. 11. Minnesota Statutes 1992, section 169.1265, subdivision 1, is amended to read:

Subdivision 1. [GRANT APPLICATION.] ~~The commissioner~~ ~~commissioners~~ ~~of public safety~~ ~~corrections and public safety,~~ in cooperation with the ~~commissioners~~ ~~commissioner~~ of human services and ~~corrections,~~ shall jointly administer a program to provide grants to counties to establish and operate programs of intensive probation for repeat violators of the driving while intoxicated laws. ~~The commissioner~~ ~~commissioners~~ shall adopt an application

form on which a county or a group of counties may apply for a grant to establish and operate a DWI repeat offender program.

Sec. 12. Minnesota Statutes 1992, section 241.01, subdivision 5, is amended to read:

Subd. 5. [TRAINING PROGRAM.] For the maintenance of adequate standards of operation in discharging the functions of the department, obtaining suitable candidates for positions for which there is a scarcity of qualified applicants, and the development of more effective treatment programs directed toward the correction and rehabilitation of persons found delinquent or guilty of crimes, and of more effective delinquency prevention the commissioner of corrections shall establish a training program including but not limited to in-service, preservice, internship and scholarship programs, and an operational research program. Within the limits of appropriations available, the commissioner may provide educational stipends or tuition reimbursement in such amounts and upon such terms and conditions as may be determined jointly by the commissioner of employee relations. Within the limits of appropriations therefor the commissioner shall establish and provide personnel, facilities and equipment for research and study to evaluate the effectiveness of correctional treatment in camps, facilities, probation and parole investigation and supervision and delinquency prevention.

The commissioner may provide training to public or private agencies or organizations and may require the participating agencies or organizations to pay all or part of the costs of the training. All sums of money received pursuant to the agreements shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner during that period and are appropriated annually to the commissioner of corrections for the purposes of this subdivision. Beginning July 1, 1994, the commissioner shall report annually to the chairs of the house ways and means committee and the senate finance committee on the amount and use of funds received under this subdivision.

Sec. 13. Minnesota Statutes 1992, section 241.43, subdivision 2, is amended to read:

Subd. 2. The ombudsman shall designate a deputy may appoint an assistant ombudsman in the unclassified service.

Sec. 14. Minnesota Statutes 1992, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER PROGRAMS.] (a) The commissioner of corrections shall provide for a range of sex offender programs, including intensive sex offender programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender programs.

(b) The commissioner shall establish and operate a juvenile residential sex offender program at one of the state juvenile correctional facilities. The program must be structured to address both the therapeutic and disciplinary needs of juvenile sex offenders. The program must afford long-term residential treatment for a range of juveniles who have committed sex offenses and have failed other treatment programs or are not likely to benefit from an outpatient or a community-based residential treatment program.

Sec. 15. Minnesota Statutes 1992, section 242.51, is amended to read:

242.51 [THE MINNESOTA CORRECTIONAL FACILITY-SAUK CENTRE.]

There is established the Minnesota correctional facility-Sauk Centre at Sauk Centre, Minnesota, in which may be placed persons committed to the commissioner of corrections by the courts of this state who, in the opinion of the commissioner, may benefit from the programs available thereat. The general control and management of the facility shall be under the commissioner of corrections.

The commissioner shall charge counties or other appropriate jurisdictions for the actual per diem cost of confinement of juveniles at the Minnesota correctional facility-Sauk Centre.

The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. All money received under this section must be deposited to the general fund.

Sec. 16. Minnesota Statutes 1992, section 270B.14, is amended by adding a subdivision to read:

Subd. 12. [DISCLOSURE TO DISTRICT COURT.] (a) The commissioner may disclose return information to the district court concerning returns filed under chapter 290, as limited by paragraph (b), as necessary to verify income information in order to determine public defender eligibility.

(b) The commissioner may disclose to the district court only the name and any relevant information from the most recently filed tax returns of persons seeking representation by a public defender.

(c) Data received under this subdivision may be used for the purposes of determining public defender eligibility under section 611.17 and shall be private and for the exclusive use of the court except for any prosecution under section 609.48.

Sec. 17. Minnesota Statutes 1992, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state in criminal cases and witnesses attending on behalf of any defendant represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, shall receive the same fees for travel and attendance as provided in section 357.22, and. Judges also may, in their discretion, allow like fees to witnesses attending in behalf of any other defendant. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed \$40 per day. When a defendant is represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, neither the defendant nor the public defender shall be charged for any subpoena fees or for service of subpoenas by a public official. The compensation and reimbursement shall be paid out of the county treasury.

Sec. 18. Minnesota Statutes 1992, section 401.13, is amended to read:

401.13 [CHARGES MADE TO COUNTIES.]

Each participating county will be charged a sum equal to the *actual* per diem cost of confinement of those juveniles committed to the commissioner after August 1, 1973, and confined in a state correctional facility. ~~Provided, however, that the amount charged a participating county for the costs of confinement shall not exceed the amount of subsidy to which the county is eligible.~~ The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. ~~However, in no case shall the percentage increase in the amount charged to the counties exceed the percentage by which the appropriation for the purposes of sections 401.01 to 401.16 was increased over the preceding biennium.~~ The commissioner of corrections shall bill the counties and deposit the receipts from the counties in the general fund. All charges shall be a charge upon the county of commitment.

Sec. 19. Minnesota Statutes 1992, section 611.17, is amended to read:

611.17 [FINANCIAL INQUIRY; STATEMENTS.]

(a) Each judicial district must screen requests under paragraph (b).

(b) Upon a request for the appointment of counsel, the court shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, *including the value of any real property owned by the applicant, whether homestead or otherwise, less the amount of any encumbrances on the real property, the source or sources of income, and any other information required by the court.* The state public defender shall furnish appropriate forms for the financial statements. The information contained in the statement shall be confidential and for the exclusive use of the court except for any prosecution under section 609.48. A refusal to execute the financial statement or produce financial records constitutes a waiver of the right to the appointment of a public defender.

Sec. 20. Minnesota Statutes 1992, section 611.20, is amended to read:

611.20 [SUBSEQUENT ABILITY TO PAY COUNSEL.]

Subdivision 1. [COURT DETERMINATION.] If at any time after the state public defender or a district public defender has been directed to act, the court having jurisdiction in the matter is satisfied that the defendant or other person is financially able to obtain counsel ~~or to make partial payment for the representation, the court may shall~~ terminate the appointment of the public defender, ~~unless the person so represented is willing to pay therefor. If a public defender continues the representation, the court shall direct payment for such representation as the interests of justice may dictate. Any payments directed by the court shall be recorded by the court administrator, who shall transfer the payments to the governmental unit responsible for the costs of the public defender.~~ The judicial district may investigate the financial status of a defendant or other person for whom a public defender has been appointed and may act to collect payments directed by the court.

If at any time after appointment a public defender should have reason to believe that a defendant is financially able to obtain counsel or to make partial payment for counsel, it shall be the public defender's duty to so advise the court so that appropriate action may be taken.

Subd. 2. [PARTIAL PAYMENT.] If the court determines that the defendant is able to make partial payment, the court shall direct the partial payments to

the governmental unit responsible for the costs of the public defender. Payments directed by the court to the state shall be recorded by the court administrator who shall transfer the payments to the state treasurer.

Subd. 3. [REIMBURSEMENT.] In each fiscal year, the state treasurer shall deposit the first \$180,000 in the general fund. Payments in excess of \$180,000 shall be deposited in the general fund and credited to a separate account with the board of public defense. The amount credited to this account is appropriated to the board of public defense to reimburse the costs of attorneys providing part-time public defense services.

The balance of this account does not cancel but is available until expended. Expenditures by the board from this account for each judicial district public defense office must be based on the amount of the payments received by the state from the courts in each judicial district.

Sec. 21. Minnesota Statutes 1992, section 611.216, is amended by adding a subdivision to read:

Subd. 1a. [INDIAN CHILD WELFARE DEFENSE CORPORATION GRANTS.] (a) The board of public defense shall establish procedures for accepting applications for funding from an Indian child welfare defense corporation located in the American Indian community. The board must consult with the Minnesota Indian affairs council before making a grant under this subdivision.

(b) An "Indian child welfare defense corporation" refers to an American Indian nonprofit law corporation, having an American Indian majority on its board of directors, specializing primarily in providing culturally appropriate legal services to indigent clients or tribal representatives involved in a case governed by the Indian Child Welfare Act, United States Code, title 25, section 1901 et seq., or the Minnesota Indian family preservation act, sections 257.35 to 257.3579.

(c) An Indian child welfare defense corporation is a "public defense corporation" for the purposes of sections 611.14 to 611.271.

Sec. 22. Minnesota Statutes 1992, section 611.25, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The state public defender shall prepare an annual biennial report to the board and a report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and public defense corporations. The biennial report is due on or before the beginning of the legislative session following the end of the biennium. The state public defender may require the reporting of statistical data, budget information, and other cost factors by the chief district public defenders and appointed counsel systems. The state public defender shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded under section 611.26. The state public defender shall establish policies and procedures to administer the district public defender system, consistent with standards adopted by the state board of public defense.

Sec. 23. Minnesota Statutes 1992, section 611.26, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] (a) The compensation of the chief district public defender shall be set by the board of public defense. The compensation of each assistant district public defender shall be set by the chief district public defender with the approval of the board of public defense. ~~The compensation for chief district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district.~~ To assist the board of public defense in determining prevailing compensation under this subdivision, counties shall provide to the board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

(b) This subdivision does not limit the rights of public defenders to collectively bargain with their employers.

Sec. 24. [611.265] [TRANSITION.]

(a) *District public defenders and their employees, other than in the second and fourth judicial districts, are state employees in the judicial branch, and are governed by the personnel rules adopted by the state board of public defense.*

(b) *A district public defender or district public defender employee who becomes a state employee under this section, and who participated in a county insurance program on the day before the effective date of this section, may elect to continue to participate in the county program according to procedures established by the board of public defense. An affected county shall bill the board of public defense for employer contributions, in a manner prescribed by the board. The county shall not charge the board any administrative fee. Notwithstanding any law to the contrary, a person who is first employed as a district public defender after the effective date of this section, shall participate in the state employee insurance program, as determined by the state board of public defense, in consultation with the commissioner of employee relations.*

(c) *A district public defender or district public defender employee who becomes a state employee under this section, and who participated in the public employee retirement association on the day before the effective date of this section, may elect to continue to participate in the public employee retirement association according to procedures established by the board of public defense and the association. Notwithstanding any law to the contrary, a person who is first employed as a state employee or by a district public defender after the effective date of this section must participate in the Minnesota state retirement system.*

(d) *A person performing district public defender work as an independent contractor is not eligible to be covered under the state group insurance plan or the public employee retirement association.*

Sec. 25. Minnesota Statutes 1992, section 611.27, subdivision 4, is amended to read:

Subd. 4. [COUNTY PORTION OF COSTS.] That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in

effect between July 1, 1991 1993, and July 1, 1993 1995. This subdivision only relates to costs associated with felony and gross misdemeanor public defense services in all judicial districts and to juvenile and misdemeanor public defense services in the second, third, fourth, sixth, and eighth judicial districts.

Sec. 26. Minnesota Statutes 1992, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of courts, the prosecuting attorneys of counties and municipalities, and the law enforcement agencies of the state and its political subdivisions shall furnish, upon the request of the district public defender or, the state public defender, or an attorney working for a public defense corporation under section 611.216, copies of any documents, including police reports, in their possession at no charge to the public defender.

Sec. 27. Minnesota Statutes 1992, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officer training account in the special revenue fund. For fiscal years 1993 and 1994, The peace officers standards and training board shall, and after fiscal year 1994 may, allocate make the following allocations from appropriated funds, net of operating expenses, as follows:

(1) for fiscal year 1994:

(i) at least 25 percent for reimbursement to board approved board-approved skills courses; and

(2) (ii) at least 13.5 percent for the school of law enforcement;

(2) for fiscal year 1995:

(i) at least 17 percent to the community college system for one-time start-up costs associated with the transition to an integrated academic program;

(ii) at least eight percent for reimbursement to board-approved skills courses in the technical college system; and

(iii) at least 13.5 percent for the school of law enforcement.

The balance in each year may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 28. [AUTOMATED PROBATION REPORTING SYSTEM PILOT PROGRAM; ST. LOUIS COUNTY.]

Subdivision 1. [GRANT AWARD.] The commissioner of corrections shall award a grant of \$100,000 to St. Louis county for the purpose of demonstrating the feasibility of a pilot automated probation reporting system.

Subd. 2. [APPLICATION STUDIES.] In developing and implementing the pilot automated probation reporting system, St. Louis county shall:

(1) measure the effectiveness and potential cost of applying the reporting system technology to the county's adult probation population;

(2) study the potential for establishing a centralized state data bank which would more rapidly and accurately measure and determine criminal histories and fingerprint data of all felony, gross misdemeanor, and misdemeanor offenders; and

(3) study the application of the reporting system technology towards the elimination of fraud and abuse in other human resource areas including the electronic benefit transfer program.

Subd. 3. [PARTICIPATION REQUIREMENTS.] *St. Louis county shall provide a minimum of 1.5 full-time equivalent positions and other in-kind services necessary to operate this program.*

Subd. 4. [SALE OF PROGRAM.] *If St. Louis county or an individual acting on behalf of the county sells the automated probation reporting system to any person or entity, the county must forward to the commissioner of corrections the profits realized from the sale, in an amount not to exceed the grant awarded under subdivision 1. The commissioner shall forward any profits received under this subdivision to the commissioner of finance, to be credited to the general fund in the state treasury.*

Subd. 5. [REPORT.] *St. Louis county shall report the results of its studies and the pilot program to the commissioner of corrections and the chairs of the house judiciary finance division and the senate crime prevention finance division by July 1, 1994.*

Sec. 29. [SENTENCING GUIDELINES MODIFICATION; JAIL CREDIT FOR TIME SERVED UNDER HUBER LAW.]

Subdivision 1. [JAIL CREDIT FOR TIME SERVED UNDER HUBER LAW.] *The sentencing guidelines commission shall consider modifying sentencing guideline III.C to provide that, upon revocation of a stayed felony sentence, time previously spent in confinement under Minnesota Statutes, section 631.425, the Huber law, as a condition of the stayed sentence shall be deducted from the executed sentence at the rate of one day for each day served.*

Subd. 2. [APPLICABILITY.] *If the commission adopts the modification described in subdivision 1, it shall apply to persons who commit crimes on or after August 1, 1994.*

Sec. 30. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] *If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this article to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.*

Subd. 2. [TRANSFER PROHIBITED.] If an amount is specified in this article for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 31. [REPEALER.]

Section 20, subdivision 3, is repealed June 30, 1997. Minnesota Statutes 1992, section 270B.14, subdivision 12, is repealed June 30, 1995.

Sec. 32. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment. Sections 15 and 18 are effective July 1, 1994.

ARTICLE 3

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "1994," and "1995," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$2,535,000	\$2,374,000	\$4,909,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 2. GAMBLING CONTROL BOARD		1,934,000	1,934,000
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Of the total amount spent each year for compliance review activities, at least 25 percent must be spent for education and outreach. For purposes of this item "education and outreach" means compliance review activities that are not of a type intended to result in the imposition by the board of a penalty against the organization being reviewed.

Sec. 3. RACING COMMISSION		366,000	200,000
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Sec. 4. STATE LOTTERY BOARD

(a) The director of the state lottery shall reimburse the general fund \$150,000 the first year and \$150,000 the second year for lottery-related costs incurred by the department of public safety, and reim-

burse the general fund \$300,000 the first year and \$300,000 the second year for costs incurred by the department of human services.

(b) In addition, the director of the state lottery shall reimburse the general fund \$235,000 in fiscal year 1994 and \$240,000 in fiscal year 1995 from the lottery operations account from amounts currently budgeted for operating costs for additional costs incurred by the department of human services.

Sec. 5. HUMAN SERVICES 235,000 240,000

The transfer authorized in section 4, paragraph (b), is appropriated for compulsive gambling hotline services, outpatient treatment services, felony screening, and compulsive gambling youth education.

Sec. 6. Minnesota Statutes 1992, section 15A.081, subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.]

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 commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range
Effective
July 1, 1987

\$57,500-\$78,500

- Commissioner of finance;
- Commissioner of education;
- Commissioner of transportation;
- Commissioner of human services;
- Commissioner of revenue;
- Commissioner of public safety;
- Executive director, state board of investment;
- Director of the state lottery;

\$50,000-\$67,500

- Commissioner of administration;

Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of jobs and training;
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 waste management;
Commissioner, housing finance agency;
Executive director, public employees retirement
association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;

\$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. 7. Minnesota Statutes 1992, section 245.98, is amended by adding a subdivision to read:

Subd. 4. [CONTRIBUTION BY TRIBAL GAMING.] The commissioner of human services is authorized to enter into an agreement with the governing body of any Indian tribe located within the boundaries of the state of Minnesota that conducts either class II or class III gambling, as defined in section 4 of the Indian Gaming Regulatory Act, Public Law Number 100-497,

and future amendments to it, for the purpose of obtaining funding for compulsive gambling programs from the Indian tribe. Prior to entering into any agreement with an Indian tribe under this section, the commissioner shall consult with and obtain the approval of the governor or governor's designated representatives authorized to negotiate a tribal-state compact regulating the conduct of class III gambling on Indian lands of a tribe requesting negotiations. Contributions collected under this subdivision are appropriated to the commissioner of human services for the compulsive gambling treatment program under this section.

Sec. 8. Minnesota Statutes 1992, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A state lottery is established under the supervision and control of the director of the state lottery appointed by the governor with the advice and consent of the senate. The governor shall appoint the first director from a list of at least three persons recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988 board. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service. *The annual salary rate authorized for the director is equal to 80 percent of the salary rate prescribed for the governor as of the effective date of this act.*

Sec. 9. Minnesota Statutes 1992, section 349A.03, subdivision 2, is amended to read:

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) review and comment on lottery procurement contracts;
- (4) review and comment on agreements between the director and one or more other lotteries relating to a joint lottery; *and*
- (5) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 349A.09; *and*
- (6) to approve additional compensation for the director under subdivision 3.

Sec. 10. UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1995, unless a different expiration is explicit.

Sec. 11. [CARRYFORWARD.]

Unless otherwise restricted, unencumbered operating balances from fiscal year 1994 appropriations in this act are available for fiscal year 1995.

Sec. 12. [SEVERABILITY.]

The provisions of this article are severable. If any provision is found to be unconstitutional, the remaining provisions shall remain valid, unless a court

determines that the remaining valid provisions, standing alone, are incapable of being executed in accordance with legislative intent.

Sec. 13. [REPEALER.]

Minnesota Statutes 1992, section 349A.03, subdivision 3, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 9 and 13 are effective the day following final enactment.

ARTICLE 4

Section 1. APPROPRIATIONS

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "1994" and "1995," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994 or June 30, 1995, respectively.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$1,782,000	\$1,722,000	\$3,504,000
Workers' Compensation	1,284,000	1,294,000	2,578,000
TOTAL	\$3,066,000	\$3,016,000	\$6,082,000

APPROPRIATIONS Available for the Year Ending June 30

	1994	1995
Sec. 2. WORKERS' COMPENSATION COURT OF APPEALS	\$ 1,284,000	\$ 1,294,000

This appropriation is from the workers' compensation special compensation fund.

Sec. 3. MEDIATION SERVICES	1,782,000	1,722,000
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(a) \$222,000 in each year is for grants to area labor-management committees. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) \$60,000 is appropriated from the general fund to the commissioner of mediation services for the fiscal year ending June 30, 1994, for the purposes of total quality management grants under Minnesota Statutes, section 179.02.

Sec. 4. [TOTAL QUALITY MANAGEMENT.]

The commissioner of mediation services shall contract with a specialist in total quality management education to provide classes on total quality management to small business and government employers. Four of the classes must be provided in the metropolitan area and four of the classes must be provided outside the metropolitan area. The classes shall provide at least 18 hours of training over a six-week period with attendance limited to 30 participants per class. The cost per participant shall not exceed \$500, with one-half of the cost paid by the employer. In at least four of the classes, participation is limited to:

(1) labor and management employees of a small business where a union represents employees; or

(2) public employees from a bargaining unit representing not more than 100 employees, and the supervisory employees and management of the public employer.

For purposes of this section, "small business" means a business with 100 or fewer employees.

Sec. 5. [TRANSFER.]

The responsibilities of the commissioner of administration for the office of dispute resolution are transferred under Minnesota Statutes, section 15.039, to the commissioner of mediation services.

Sec. 6. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this article to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [TRANSFER PROHIBITED.] If an amount is specified in this article for an item within an activity, that amount must not be transferred or used for any other purpose.

ARTICLE 5

YOUTH WORKS

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Section 1. YOUTH WORKS	\$2,500,000	\$2,500,000
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The continuation of base level funding in the next fiscal biennium for the youth

works program shall be determined following an evaluation by the department of finance as to whether the program is achieving its intent.

Any unencumbered balances remaining in the first year do not cancel but are available for the second year of the biennium.

Subdivision 1. Department of Education

2,345,000

2,345,000

Of the appropriation, \$100,000 shall be used to establish one full-time position for capacity building, evaluation, design, and developing service learning and work-based learning. \$50,000 shall be used to establish a public private matching grant program for local organizations to provide a youth service entrepreneurship initiative contingent upon local match requirements. \$3,898,000 is for grants for the youth works program under this article.

\$110,000 is for the education and employment transitions council, which shall oversee youth service and youth apprenticeship programs, and to provide staff for youth works task force and youth apprenticeship activities.

Of the appropriation, \$532,000 is for community education aid in fiscal year 1995 according to Minnesota Statutes, section 124.2713, subdivision 5. This aid is in addition to an appropriation for community education aid in any other law.

Subd. 2. Higher Education Coordinating Board

115,000

115,000

To the higher education coordinating board for fiscal years 1994 and 1995. The appropriation shall be used to develop and implement service learning programs in the following order of priority:

(1) programs allowing higher education institutions to create or expand community service or work-based learning activities for students attending the institutions;

(2) programs allowing higher education institutions to modify existing and create new courses, curricula, and extracurricular activities that effectively use service

learning and work-based learning methods; and

(3) programs allowing higher education institutions to train K-12 teachers in the skills necessary to develop, supervise, and organize community service activities, consistent with the principles of service learning.

Subd. 3. Minnesota Technology, Inc.	40,000	40,000
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To establish health care youth apprenticeship programs in urban and rural areas.

Sec. 2. [121.70] [SHORT TITLE.]

Sections 121.701 to 121.710 shall be cited as the "Minnesota youth works act."

Sec. 3. [121.701] [PURPOSE.]

The purposes of sections 121.701 to 121.710 are to:

- (1) renew the ethic of civic responsibility in Minnesota;*
- (2) empower youth to improve their life opportunities through literacy, job placement, and other essential skills;*
- (3) empower government to meet its responsibility to prepare young people to be contributing members of society;*
- (4) help meet human, educational, environmental, and public safety needs, particularly those needs relating to poverty;*
- (5) prepare a citizenry that is academically competent, ready for work, and socially responsible;*
- (6) demonstrate the connection between youth and community service, community service and education, and education and meaningful opportunities in the business community;*
- (7) demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth;*
- (8) create linkages for a comprehensive youth service and learning program in Minnesota including school age programs, higher education programs, youth work programs, and service corps programs; and*
- (9) coordinate federal and state activities that advance the purposes in this section.*

Sec. 4. [121.702] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 121.701 to 121.710.

Subd. 2. [ELIGIBLE ORGANIZATION.] "Eligible organization" means:

- (1) a local unit of government including a statutory or home rule charter city, township, county, or group of two or more contiguous counties;*
- (2) an existing nonprofit organization organized under chapter 317A;*

- (3) an educational institution;
- (4) a private industry council; or
- (5) a state agency.

Subd. 3. [FEDERAL LAW.] "Federal law" means Public Law Number 101-610, as amended, or any other federal law or program assisting youth community service, work-based learning, or youth transition from school to work.

Subd. 4. [MENTOR.] "Mentor" means a business person, an adult from the community, or a person who has successfully completed the youth works program who volunteers to establish a one-on-one relationship with a participant in the youth works program to encourage and guide the participant to obtain an education, participate in service and work-related activities, and effectively use postservice benefits.

Subd. 5. [PARTICIPANT.] "Participant" means an individual enrolled in a program that receives assistance under sections 121.701 to 121.710.

Subd. 6. [PLACEMENT.] "Placement" means the matching of a participant with a specific project.

Subd. 7. [PROGRAM.] "Program" means an activity carried out with assistance provided under sections 121.701 to 121.710.

Subd. 8. [PROJECT.] "Project" means an activity that results in a specific identifiable service or product that could not be done from the resources of the eligible organization and that does not duplicate the routine services or functions of the eligible organization.

Subd. 9. [YOUTH WORKS TASK FORCE.] "Youth works task force" means the task force established in section 121.703.

Sec. 5. [121.703] [YOUTH WORKS TASK FORCE.]

Subdivision 1. [CREATION.] The youth works task force is established to assist the governor and the legislature in implementing sections 121.701 to 121.710 and federal law. The terms, compensation, filling of vacancies, and removal of members are governed by section 15.059. The youth works task force may accept gifts and contributions from public and private organizations.

Subd. 2. [MEMBERSHIP.] The youth works task force consists of 16 voting members. The membership includes the commissioner or designee of the departments of education, jobs and training, and natural resources and the executive director of the higher education coordinating board, and four persons appointed by the governor from among the following agencies: departments of human services, health, corrections, agriculture, public safety, finance, labor and industry, office of strategic and long-range planning, Minnesota office of volunteer services, Minnesota high technology council, Minnesota housing finance agency, association of service delivery areas, and Minnesota Technology, Inc. The governor shall appoint four members, one each representing a public or private sector labor union, business, students, and parents, and the remaining four members from among representatives of the following groups: educators, senior citizen organizations, local agencies working with youth service corps programs, school-based community service programs, higher education institutions, local

educational agencies, volunteer public safety organizations, education partnership programs, public or nonprofit organizations experienced in youth employment and training, and volunteer administrators, or other organizations working with volunteers. The governor shall ensure that, to the extent possible, the membership of the task force is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the task force.

Subd. 3. [DUTIES.] (a) The youth works task force shall:

(1) develop, with the assistance of the governor and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

(3) coordinate volunteer service learning programs within the state;

(4) develop, in cooperation with the education and employment transitions council, volunteer service learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the education and employment transitions council, schools, public and private agencies, for-profit and nonprofit employers, and labor unions to identify mentoring and service learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;

(6) administer the youth works grant program under sections 121.704 to 121.709, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;

(7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;

(8) report to the governor and legislature; and

(9) provide oversight and support for school, campus and community-based service programs.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 6. [121.704] [YOUTH WORKS PROGRAM.]

The youth works program is established to fulfill the purposes of section 121.701. The youth works program shall supplement existing programs and services. The program shall not displace existing programs and services, existing funding of programs or services, or existing employment and employment opportunities. No eligible organization may terminate, layoff, or reduce the hours of work of an employee to place or hire a program participant. No eligible organization may place or hire an individual for a project if an employee is on lay-off from the same or a substantially equivalent position.

Sec. 7. [121.705] [YOUTH WORKS GRANTS.]

Subdivision 1. [APPLICATION.] An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit to the youth works task force an application that complies with section 121.706.

Subd. 2. [GRANT AUTHORITY.] The youth works task force shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the youth works task force may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

Sec. 8. [121.706] [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS REQUIRED.] An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the youth works task force an application that meets the requirements of this section. The youth works task force shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. [APPLICATION CONTENT.] An applicant on its application shall:

(1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning;

(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;

(3) describe the classroom component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;

(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;

(5) describe local funds or resources available to meet the match requirements of section 121.709;

(6) describe any funds available for the program from sources other than the requested grant;

(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;

(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education; credit for community service work and work-based learning, or graduate equivalency degrees;

(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the youth works task force and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years; a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program;

(19) describe the role of local youth in developing all aspects of the grant proposal; and

(20) describe the process by which the local private industry council participated in, and reviewed the grant application.

Sec. 9. [121.707] [PROGRAM PROVISIONS.]

Subdivision 1. [PARTICIPANT ELIGIBILITY.] (a) An individual is eligible to participate in full-time youth community service if the individual:

- (1) is 17 to 24 years old;
 - (2) is a citizen of the United States or lawfully admitted for permanent residency;
 - (3) is a permanent Minnesota resident as that term is used in section 256.936, subdivision 4c, paragraph (d), clause (2);
 - (4) is applying for service and has received a high school diploma or its equivalent, or agrees to attain a high school diploma or its equivalent while participating in the program; and
 - (5) agrees to act as an alumni volunteer or an alumni mentor upon successfully completing the program and postprogram education.
- (b) An individual is eligible to participate in part-time youth community service if the individual is 15 to 24 years old and meets the requirements under paragraph (a), clauses (2) to (5).

Subd. 2. [TERMS OF SERVICE.] (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year, or at least an average of nine hours per week each year. A participant performing full-time service under sections 121.701 to 121.710 shall serve for not less than 40 hours per week.

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. [POSTSERVICE BENEFIT.] (a) Each participant shall receive a nontransferable postservice benefit upon successfully completing the program. The benefit must be \$2,000 per year of part-time service or \$5,000 per year of full-time service.

(b) In the event that a program does not receive a federal grant that provides a postservice benefit, the participants in the program shall receive a postservice benefit equal in value to one-half the amount provided under paragraph (a).

(c) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

(d) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

Subd. 4. [USES OF POSTSERVICE BENEFITS.] (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for five years after completing the program and may only be used for:

- (1) paying a student loan;
- (2) costs of attending an institution of higher education; or
- (3) expenses incurred in an apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The youth works task force, in consultation with the education and employment transitions council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service learning and equip them for meaningful employment.

Subd. 5. [LIVING ALLOWANCE.] (a) A participant in a full-time community service program shall receive a monthly stipend of \$500. An eligible organization may provide participants with additional amounts from nonfederal or nonstate sources.

(b) Nothing in this subdivision requires an existing program to decrease any stipend, salary, or living allowance provided to a participant under the program.

(c) In addition to the living allowance provided under paragraph (a), a grantee organization shall provide health and dental coverage to each participant in a full-time youth works program who does not otherwise have access to health or dental coverage. The state shall include the cost of group health and dental coverage in the grant to the eligible organization.

Subd. 6. [PROGRAM TRAINING.] (a) The youth works task force shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

- (1) orient each participant in the nature, philosophy, and purpose of the program;
- (2) build an ethic of community service through general community service training; and
- (3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. [TRAINING AND EDUCATION REQUIREMENTS.] Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The youth works task force may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

Sec. 10. [121.708] [PRIORITY.]

The youth works task force shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

- (1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;
- (2) serves a community with significant unmet needs;
- (3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;
- (4) builds linkages with existing, successful programs; and
- (5) can be operational quickly.

Sec. 11. [121.709] [MATCH REQUIREMENTS.]

A grant awarded through the youth works program must be matched at \$2 of grant funds for at least \$1 of applicant funds. Grant funds must be used for the living allowance, cost of workers compensation coverage, and health and dental benefits for each program participant. Applicant funds, from sources

and in a form determined by the youth works task force, must be used to pay for crew leaders, administration, supplies, materials, and transportation. Administrative expenses must not exceed seven percent of total program costs. To the extent that administrative costs are less than seven percent, an amount equal to the difference between the percent expended and seven percent shall be applied to the local match requirement in this section.

Sec. 12. [121.710] [EVALUATION AND REPORTING REQUIREMENTS.]

Subdivision 1. [GRANTEE ORGANIZATIONS.] Each grantee organization shall report to the youth works task force at the time and on the matters requested by the youth works task force.

Subd. 2. [INTERIM REPORT.] The youth works task force shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. [FINAL REPORT.] The youth works task force shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

Sec. 13. Minnesota Statutes 1992, section 121.88, subdivision 9, is amended to read:

Subd. 9. [YOUTH SERVICE PROGRAMS.] A school board may offer, as part of a community education program with a youth development program, a youth service program for pupils to promote that provides young people with meaningful opportunities to become involved in their community, develop individual capabilities, make career connections, seek support networks and services, become active citizenship citizens, and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council, after considering the results of the commissioner's study under section 121.885, subdivision 1, shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

(1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self-esteem and self-worth, and to give genuine service to their community;

(4) integration of academic learning with the service experience; and

(5) integration of youth community service with elementary and secondary curriculum.

Youth service projects include, but are not limited to, the following:

- (1) human services for the elderly, including home care and related services;
- (2) tutoring and mentoring;
- (3) training for and providing emergency services;
- (4) services at extended day programs; ~~and~~
- (5) environmental services; *and*
- (6) *service learning programs in which schools, including post-secondary schools; and employers work together with young people to provide them with meaningful opportunities for community service and with the academic and technical skills that employers require.*

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 14. [121.885] [SERVICE LEARNING AND WORK-BASED LEARNING CURRICULUM AND PROGRAMS.]

Subdivision 1. [SERVICE LEARNING AND WORK-BASED LEARNING PROGRAMS STUDY.] The youth works task force, established in section 121.703; shall assist the commissioner of education in studying how to combine community service activities and service learning with work-based learning programs.

Subd. 2. [SERVICE LEARNING PROGRAMS DEVELOPED.] The commissioner, in consultation with the task force, shall develop a service learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

- (1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;*
- (2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;*
- (3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and*
- (4) criteria for community service activities and service learning.*

Subd. 3. [STRUCTURING PROGRAMS ACCORDING TO GRADE OR EDUCATION LEVEL.] The service learning curriculum must accommodate

students' grade level or the last completed grade level of the participants not currently enrolled in school. Schools must provide at least the following:

(1) for students in grades 7 to 9, an opportunity to learn about service learning activities and possible occupations;

(2) for students in grade 10, an opportunity to apply for service learning under section 121.88, subdivision 9, and youth apprenticeship programs; and

(3) for students in grades 11 and 12 and young people not currently enrolled in school, an opportunity to become involved in community service activities, participate in youth apprenticeship programs, and, depending upon the individual's demonstrated abilities, complete high school or pursue post-secondary coursework.

Subd. 4. [PROGRAMS FOLLOWING YOUTH COMMUNITY SERVICE.] (a) The youth works task force established in section 121.703, in cooperation with the commissioner and the higher education coordinating board, shall provide for those participants who successfully complete youth community service under sections 121.703 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a statewide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a public post-secondary school under paragraph (a).

(c) The youth works task force, in cooperation with the state board of technical colleges, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

Sec. 15. Minnesota Statutes 1992, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals 75 cents for fiscal year 1992 and 85 cents for fiscal year years 1993 and 1994 and \$1 for fiscal year 1995 and thereafter, times the greater of 1,335 or the population of the district.

Sec. 16. Minnesota Statutes 1992, section 124C.46, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM FOCUS.] The programs and services of a center must focus on academic and learning skills, trade and vocational skills, work-based learning opportunities, work experience, youth service to the community, and transition services.

Sec. 17. [HECB TO HELP COORDINATE YOUTH COMMUNITY SERVICE.]

Subdivision 1. [HECB DUTIES.] (a) The higher education coordinating board shall coordinate the application process for higher education grants under federal law. The board shall submit to the youth works task force under section 121.703 a proposal described in subdivision 2 for a consortium of higher education institutions to be included in the state's comprehensive service plan under section 121.703, subdivision 3.

(b) The board shall also coordinate the activities of individual Minnesota higher education institutions applying directly for federal community service grants.

Subd. 2. [COMMUNITY SERVICE PROPOSAL.] The proposal submitted by the higher education coordinating board shall develop programs that allow:

(1) higher education institutions to modify existing and create new courses, curricula, and extracurricular activities that effectively use service learning and work-based learning methods;

(2) one or more higher education institutions to conduct research to evaluate the benefits of service learning programs and to make recommendations to improve service learning programs;

(3) higher education institutions to train K-12 teachers in the skills necessary to develop, supervise, and organize community service activities, consistent with the principles of service learning; and

(4) higher education institutions to create or expand community service or work-based learning activities for students attending the institutions.

Sec. 18. [FEDERAL APPLICATION.]

The youth works task force shall prepare timely and complete applications for federal grants. At a minimum, the task force application must describe:

(1) a program designed to meet the unique needs of the state that will provide community service opportunities to youths ages 17 to 24;

(2) the amount of funds requested for the youth works program plan; and

(3) how the task force ranks applications and awards grants to Minnesota applicants under sections 121.704 to 121.709.

Sec. 19. [SEVERANCE.]

Any provision in this act that makes the state ineligible to receive a grant under Public Law Number 101-610 or other federal laws funding youth works programs is severed and has no effect.

Sec. 20. [REPEALER.]

Sections 6 to 12 are repealed June 30, 1998."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for public defense, criminal justice, corrections, and related purposes; appropriating money for youth community

service and work-based learning programs; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 15A.081, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 121.88, subdivision 9; 124.2713, subdivision 5; 124C.46, subdivision 1; 169.1265, subdivision 1; 241.01, subdivision 5; 241.43, subdivision 2; 242.195, subdivision 1; 242.51; 245.98, by adding a subdivision; 270B.14, by adding a subdivision; 349A.02, subdivision 1; 349A.03, subdivision 2; 357.24; 401.13; 611.17; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; 611.26, subdivision 3; 611.27, subdivision 4; 611.271; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 121; and 611; repealing Minnesota Statutes 1992, section 349A.03, subdivision 3.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Tracy L. Beckman, Allan H. Spear, Randy C. Kelly, Thomas M. Neuville, Jane B. Ranum

House Conferees: (Signed) Mary Murphy, Thomas Pugh, Howard Orenstein, Doug Swenson, Mary Jo McGuire

Mr. Beckman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1503 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Johnson, D.E. moved that the recommendations and Conference Committee Report on S.F. No. 1503 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Mr. Beckman imposed a call of the Senate for the balance of the proceedings on S.F. No. 1503. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Johnson, D.E. motion.

The roll was called, and there were yeas 20 and nays 46, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Merriam	Robertson
Benson, D.D.	Johnson, D.E.	Larson	Oliver	Runbeck
Benson, J.E.	Johnston	Lesewski	Olson	Stevens
Day	Kiscaden	McGowan	Pariseau	Terwilliger

Those who voted in the negative were:

Adkins	Dille	Krentz	Murphy	Sams
Anderson	Finn	Kroening	Neuville	Samuelson
Beckman	Flynn	Langseth	Novak	Spear
Berg	Hanson	Lessard	Pappas	Stumpf
Berglin	Hottinger	Luther	Piper	Vickerman
Bertram	Janezich	Marty	Pogemiller	Wiener
Betzold	Johnson, D.J.	Metzen	Price	
Chandler	Johnson, J.B.	Moe, R.D.	Ranum	
Chmielewski	Kelly	Mondale	Reichgott	
Cohen	Knutson	Morse	Riveness	

The motion did not prevail.

The question recurred on the motion of Mr. Beckman. The motion

prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1503 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Merriam	Ranum
Anderson	Dille	Kiscaden	Metzen	Reichgott
Beckman	Finn	Knutson	Moe, R.D.	Riveness
Belanger	Flynn	Krentz	Mondale	Runbeck
Benson, D.D.	Frederickson	Kroening	Morse	Sams
Berg	Hanson	Laidig	Murphy	Samuelson
Berglin	Hottinger	Langseth	Neuville	Spear
Bertram	Janezich	Lesewski	Novak	Stevens
Betzold	Johnson, D.E.	Lessard	Pappas	Stumpf
Chandler	Johnson, D.J.	Luther	Piper	Terwilliger
Chmielewski	Johnson, J.B.	Marty	Pogemiller	Vickerman
Cohen	Johnston	McGowan	Price	Wiener

Those who voted in the negative were:

Benson, J.E.	Oliver	Olson	Pariseau	Robertson
Larson				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1058 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1058: A bill for an act relating to landlord and tenant; modifying action to recover leased premises; providing for actions for destruction of leased residential rental property; allowing expedited proceedings; amending Minnesota Statutes 1992, sections 504.02, subdivision 1; and 566.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 504; and 566.

Mr. Novak moved to amend H.F. No. 1058, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1532.)

Page 2, line 23, delete "OR NONPAYMENT"

Page 3, line 16, after "609.748" insert "or filing a petition for a temporary restraining order,"

The motion prevailed. So the amendment was adopted.

H.F. No. 1058 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Murphy	Runbeck
Anderson	Finn	Kroening	Neuville	Sams
Beckman	Flynn	Laidig	Novak	Samuelson
Belanger	Frederickson	Langseth	Oliver	Solon
Benson, D.D.	Hanson	Larson	Olson	Spear
Benson, J.E.	Hottinger	Lesewski	Pappas	Stevens
Berg	Janezich	Lessard	Pariseau	Stumpf
Berglin	Johnson, D.E.	Luther	Piper	Terwilliger
Bertram	Johnson, D.J.	Marty	Pogemiller	Vickerman
Betzold	Johnson, J.B.	McGowan	Price	Wiener
Chandler	Johnston	Merriam	Ranum	
Chmielewski	Kelly	Metzen	Reichgott	
Cohen	Kiscaden	Mondale	Riveness	
Day	Knutson	Morse	Robertson	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R. D., Chair of the Committee on Rules and Administration, designated H.F. No. 994 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 994: A bill for an act relating to children; foster care and adoption placement; specifying time limits for compliance with placement preferences; setting standards for changing out-of-home placement; requiring notice of certain adoptions; clarifying certain language; requiring compliance with certain law; amending Minnesota Statutes 1992, sections 257.071, subdivisions 1 and 1a; 257.072, subdivision 7; 259.255; 259.28, subdivision 2, and by adding a subdivision; 259.455; 260.012; 260.181, subdivision 3; and 260.191, subdivisions 1a, 1d, and 1e; proposing coding for new law in Minnesota Statutes, chapters 257; and 259.

Mr. Spear moved to amend H.F. No. 994, the unofficial engrossment, as follows:

Page 6, after line 3, insert:

“(c) If the court determines that an adoptive placement is in the best interests of the child, the social service agency shall file a petition for termination of parental rights under section 260.231. Nothing in this subdivision waives the requirements of sections 260.221 to 260.245 with respect to termination of parental rights.”

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend H.F. No. 994, the unofficial engrossment, as follows:

Page 3, after line 6, insert:

“Sec. 6. Minnesota Statutes 1992, section 257.072, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3, and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923;

(a) In implementing the order of preference, an authorized child-placing agency may disclose private or confidential data, as defined in section 13.02, to relatives of the child for the purpose of locating a suitable placement. The agency shall disclose only data that is necessary to facilitate implementing the preference. If a parent makes an explicit request that the relative preference not be followed, the agency shall bring the matter to the attention of the court to determine whether the parent's request is consistent with the best interests of the child and the agency shall not contact relatives unless ordered to do so by the juvenile court; and

(b) ~~In implementing the order of preference, the authorized child-placing agency shall develop written standards for determining the suitability of proposed placements. The standards need not meet all requirements for foster care licensing, but must ensure that the safety, health, and welfare of the child is safeguarded.~~ In the case of an Indian child, the standards to be applied must be the prevailing social and cultural standards of the Indian child's community, and the agency shall defer to tribal judgment as to suitability of a particular home when the tribe has intervened pursuant to the Indian Child Welfare Act;

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children;

(4) if located in an area with a significant minority population, have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives;

(5) ensure that adoption and foster care workers attend training offered or approved by the department of human services regarding cultural diversity and the needs of special needs children; and

(6) develop and implement procedures for implementing the requirements of the Indian Child Welfare Act and the Minnesota Indian family preservation act."

Page 3, line 11, delete everything after "searches"

Page 3, line 12, delete "placements"

Page 3, line 13, delete "The standards"

Page 3, delete lines 14 to 16

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, delete "subdivision 1" and insert "subdivisions 1, 7"

The motion prevailed. So the amendment was adopted.

H.F. No. 994 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Krentz	Moe, R.D.	Riveness
Belanger	Finn	Kroening	Mondale	Robertson
Benson, D.D.	Frederickson	Laidig	Morse	Runbeck
Benson, J.E.	Hottinger	Langseth	Murphy	Sams
Berg	Janezich	Larson	Neuville	Solon
Berglin	Johnson, D.E.	Lesewski	Novak	Spear
Bertram	Johnson, D.J.	Lessard	Oliver	Stevens
Betzold	Johnson, J.B.	Luther	Olson	Stumpf
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	McGowan	Piper	Vickerman
Cohen	Kiscaden	Merriam	Price	Wiener
Day	Knutson	Metzen	Reichgott	

Mses. Anderson, Flynn and Ranum voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Stumpf moved that H.F. No. 574 be taken from the table. The motion prevailed.

H.F. No. 574: A bill for an act relating to retirement; administrative changes, age discrimination act compliance, death-while-active surviving spouse benefit improvements by the Minnesota state retirement system, the public employees retirement association, and teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, and 7; 352.115, subdivision 8; 352.12, subdivisions 1, 2, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivisions 3 and 11; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.105; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding subdivisions; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1 and 5a; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivisions 1 and 2; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73;

352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352D.05, subdivision 5; and 353.656, subdivision 6.

Mr. Stumpf then moved to amend H.F. No. 574 as follows:

Page 7, line 2, before the semicolon, insert “, or comparable statutory authority”

Page 7, line 3, after “(34)” insert “persons who are employed as full-time police officers by the metropolitan transit commission and as police officers are members of the public employees police and fire fund;

(35)”

Page 7, line 7, delete “(35)” and insert “(36)”

Page 74, after line 34, insert:

“Sec. 33. Minnesota Statutes 1992, section 353.64, is amended by adding a subdivision to read:

Subd. 7a. [PENSION COVERAGE FOR CERTAIN METROPOLITAN TRANSIT COMMISSION POLICE OFFICERS.] A person who is employed as a full-time police officer on or after the first day of the first payroll period after the effective date of this section by the metropolitan transit commission and who is not eligible for coverage under the agreement with the Secretary of the federal Department of Health and Human Services making the provisions of the federal Old Age, Survivors, and Disability Insurance Act because the person's position is excluded from application under United States Code, sections 418(d)(5)(A) and 418(d)(8)(D), and under section 355.07, is a member of the public employees police and fire fund and is considered to be a police officer within the meaning of this section. The metropolitan transit commission shall deduct the employee contribution from the salary of each full-time police officer as required by section 353.65, subdivision 2, shall make the employer contribution for each full-time police officer as required by section 353.65, subdivision 3, and shall meet the employer recording and reporting requirements in section 353.65, subdivision 4.”

Page 91, line 12, delete everything after “31” and insert “to 33, 37, 38,”

Page 91, line 13, delete everything before “are” and insert “40 to 44, 47 to 50, and 53”

Page 91, line 14, delete “33” and insert “34”

Page 91, line 15, delete everything before “are” and insert “36, 39, 45, 46, 51, and 54”

Page 91, line 16, delete “51” and insert “52”

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend H.F. No. 574 as follows:

Page 30, after line 24, insert:

“(c) For legislators who meet the legislative length of service requirements under section 3A.02, subdivision 1, paragraph (a), clause (1), the board of

directors shall establish an optional retirement annuity in the form of a 100 percent joint and survivor annuity and an optional annuity in the form of an annuity payable for a period certain and for life thereafter. The annuity form must be actuarially equivalent to the normal annuity including, but not in addition to, the value of any benefit payable as provided in section 3A.04."

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend H.F. No. 574 as follows:

Page 3, after line 13, insert:

"Sec. 3. Minnesota Statutes 1992, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] (a) "State employee" includes:

- (1) employees of the Minnesota historical society;
- (2) employees of the state horticultural society;
- (3) employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed before July 1, 1963;
- (4) employees of the Minnesota crop improvement association;
- (5) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (6) employees of the state universities employed under the university activities program;
- (7) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in clause (8) of subdivision 2b;
- (8) employees of the armory building commission;
- (9) permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (10) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (11) employees of the Minnesota safety council;
- (12) employees of the transit operating division of the metropolitan transit commission and any employees on authorized leave of absence from the transit operating division who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division;
- (13) employees of the metropolitan council, metropolitan parks and open space commission, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan sports facilities commission or the metropolitan mosquito control commission unless excluded or

covered by another public pension fund or plan under section 473.141, subdivision 12, or 473.415, subdivision 3; and

(14) judges of the tax court; and

(15) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization.

(b) Employees specified in paragraph (a), clause (15), are included employees under paragraph (a) providing that employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer."

Page 9, after line 16, insert:

"Sec. 6. Minnesota Statutes 1992, section 352.04, subdivision 6, is amended to read:

Subd. 6. [QUASI-STATE AGENCIES; EMPLOYER CONTRIBUTIONS.] For those of their employees who are covered by the system, the state horticultural society, the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, the Minnesota crop improvement association, the Minnesota historical society, the armory building commission, the Minnesota safety council, the Metropolitan council and any of its statutory boards, the employer of persons described in section 352.01, subdivision 2a, paragraph (a), clause (15), and any other agency employing employees covered by this system, respectively, shall also pay into the retirement fund the amount required by subdivision 3."

Page 29, after line 33, insert:

"Sec. 43. [STUDY OF BENEFIT OPTIONS FOR PUBLIC EMPLOYEES WHO BECOME NONPUBLIC EMPLOYEES.]

The legislative commission on pensions and retirement shall study the issue of benefit options for public employees who become nonpublic employees for the purpose of ensuring that the employees have the same or similar benefits subsequent to public employment as they did during public employment. The commission shall report the results of the study and any proposed legislation to the chairs of the committee on governmental operations and gaming and the committee on ways and means of the house of representatives and the committee on governmental operations and reform and the committee on finance of the senate by January 15, 1994."

Page 29, line 35, delete "to 40" and insert ", 2, 4, 5, and 7 to 42"

Page 29, line 36, after the period, insert "Sections 3, 6, and 43 are effective July 1, 1993. Section 3 applies retroactively to July 1, 1992, and contributions for that retroactive application period must be paid to the state employees retirement fund, plus interest at the annual compound rate of 8.5 percent."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved that H.F. No. 574 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS – CONTINUED

RECONSIDERATION

Mr. Bertram moved that the vote whereby H.F. No. 947 was passed by the Senate on May 4, 1993, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 947: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Sherburne and Stearns counties.

Mr. Bertram moved to amend H.F. No. 947, as amended pursuant to Rule 49, adopted by the Senate April 27, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 896.)

Page 1, after line 18, insert:

“Sec. 2. [SALE OF TAX-FORFEITED LAND; STEARNS COUNTY.]

(a) *Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Stearns county may sell tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.*

(b) *The conveyance must be in a form approved by the attorney general.*

(c) *The land that may be sold is located in Stearns county and is described as Lots 15 and 16, Block 1, Jody Estates Addition to Wakefield Township.*

(d) *The county has determined that the county's land management interests would best be served if the land is returned to private ownership.”*

Page 1, line 19, delete “2” and insert “3”

Page 1, line 20, delete “Section 1 is” and insert “Sections 1 and 2 are”

Amend the title as follows:

Page 1, line 3, delete “land that borders” and insert “lands that border”

Page 1, line 4, delete “county” and insert “and Stearns counties”

The motion prevailed. So the amendment was adopted.

H.F. No. 947 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Laidig	Murphy	Runbeck
Anderson	Flynn	Langseth	Neuville	Sams
Belanger	Frederickson	Larson	Novak	Samuelson
Benson, D.D.	Hanson	Lesevski	Oliver	Spear
Benson, J.E.	Hottinger	Lessard	Olson	Stevens
Berg	Janezich	Luther	Pappas	Stumpf
Berglin	Johnson, D.E.	Marty	Pariseau	Terwilliger
Bertram	Johnson, J.B.	McGowan	Piper	Vickerman
Betzold	Johnston	Merriam	Pogemiller	Wiener
Chandler	Kelly	Metzen	Price	
Chmielewski	Knutson	Moe, R.D.	Ranum	
Cohen	Krentz	Mondale	Reichgott	
Dille	Kroening	Morse	Riveness	

So the bill, as amended, was passed and its title was agreed to.

RECONSIDERATION

Mr. Morse moved that the vote whereby S.F. No. 751 failed to pass the Senate on May 4, 1993, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 751: A bill for an act relating to local government; regulating tanning facilities; requiring warning notices; establishing record keeping requirements; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 461.

Mr. Morse then moved to amend S.F. No. 751 as follows:

Page 7, delete section 8

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 751 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Mondale	Ranum
Benson, J.E.	Frederickson	Laidig	Morse	Reichgott
Berglin	Hanson	Larson	Murphy	Riveness
Bertram	Hottinger	Luther	Novak	Solon
Betzold	Janezich	Marty	Pappas	Spear
Chandler	Johnson, D.J.	Merriam	Piper	Wiener
Cohen	Johnson, J.B.	Metzen	Pogemiller	
Finn	Kelly	Moe, R.D.	Price	

Those who voted in the negative were:

Adkins	Dille	Lesevski	Pariseau	Terwilliger
Beckman	Johnson, D.E.	Lessard	Runbeck	Vickerman
Belanger	Johnston	McGowan	Sams	
Benson, D.D.	Knutson	Neuville	Samuelson	
Berg	Kroening	Oliver	Stevens	
Chmielewski	Langseth	Olson	Stumpf	

So the bill, as amended, was passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Introduction and First Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1315: A bill for an act relating to burial grounds; creating a council of traditional Indian practitioners to make recommendations regarding the management, treatment, and protection of Indian burial grounds and of human remains or artifacts contained in or removed from those grounds; proposing coding for new law in Minnesota Statutes, chapter 307.

Senate File No. 1315 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1993

Mr. Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 1315, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. 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. 1259 and 673.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committee indicated.

H.F. No. 1259: A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; amending Laws 1988, chapter 594, section 6, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1167, now on General Orders.

H.F. No. 673: A bill for an act relating to agriculture; regulating activities relating to restricted species; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

Mr. Moe, R.D. moved that H.F. No. 673 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1585: A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; regulating crimes in certain shopping areas; making knowing transfer of HIV virus a felony; increasing parental liability; limiting right to refuse blood testing; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144.765; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.01, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivisions 1, 2, and 3; 152.023, subdivisions 2 and 3; 152.024, subdivisions 1 and 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 540.18, subdivision 1; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivisions 1 and 2; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivi-

sion 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795, subdivision 2; 611A.57, subdivision 1; and 629.40, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

SAFE STREETS AND SCHOOLS

Section 1. Minnesota Statutes 1992, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any of the following in a school zone, a park zone, or a public housing zone:

(i) any amount of a schedule I or II narcotic drug, *or lysergic acid diethylamide (LSD)*;

(ii) one or more mixtures containing methamphetamine or amphetamine; or

(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 2. Minnesota Statutes 1992, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) the person unlawfully possesses any amount of a schedule I or II narcotic drug *or ten or more dosage units of lysergic acid diethylamide (LSD)* in a school zone, a park zone, or a public housing zone;

(5) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, or a public housing zone.

Sec. 3. Minnesota Statutes 1992, section 471.633, is amended to read:

471.633 [FIREARMS.]

The legislature preempts all authority of a home rule charter or statutory city including a city of the first class, county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, to regulate firearms, ammunition, or their respective components to the complete exclusion of any order, ordinance or regulation by them except that:

(a) a governmental subdivision may regulate the discharge of firearms; and

(b) a governmental subdivision may adopt zoning ordinances to regulate the site of business locations where firearms are sold by a firearms dealer; for the purposes of this clause, a firearms dealer is a person who is federally licensed to sell firearms from any location; and

(c) a governmental subdivision may adopt regulations identical to state law.

Local regulation inconsistent with this section is void.

Sec. 4. Minnesota Statutes 1992, section 609.06, is amended to read:

609.06 [AUTHORIZED USE OF FORCE.]

Subdivision 1. [WHEN AUTHORIZED.] Reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) When used by a public officer or one assisting a public officer under the public officer's direction:

- (a) In effecting a lawful arrest; or
- (b) In the execution of legal process; or
- (c) In enforcing an order of the court; or
- (d) In executing any other duty imposed upon the public officer by law; or

(2) When used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) When used by any person in resisting or aiding another to resist an offense against the person; or

(4) When used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) When used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) When used by a parent, guardian, teacher or other lawful custodian of a child or pupil, in the exercise of lawful authority, to restrain or correct such child or pupil; or

(7) When used by a school employee or school bus driver while engaged in the performance of the employee's or driver's official duties, to prevent bodily harm to another; or

(8) When used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

~~(8)~~ (9) When used to restrain a mentally ill or mentally defective person from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct or treatment; or

~~(9)~~ (10) When used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct or treatment of the committed person.

Sec. 5. Minnesota Statutes 1992, section 609.531, is amended to read:

609.531 [FORFEITURES.]

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to ~~609.534~~ 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Subd. 1a. [CONSTRUCTION.] Sections 609.531 to ~~609.5317~~ 609.5318 must be liberally construed to carry out the following remedial purposes:

(1) to enforce the law;

(2) to deter crime;

(3) to reduce the economic incentive to engage in criminal enterprise;

(4) to increase the pecuniary loss resulting from the detection of criminal activity; and

(5) to forfeit property unlawfully used or acquired and divert the property to law enforcement purposes.

Subd. 4. [SEIZURE.] Property subject to forfeiture under sections 609.531 to ~~609.5317~~ 609.5318 may be seized by the appropriate agency upon process issued by any court having jurisdiction over the property. Property may be seized without process if:

(1) the seizure is incident to a lawful arrest or a lawful search;

(2) the property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding under this chapter; or

(3) the appropriate agency has probable cause to believe that the delay occasioned by the necessity to obtain process would result in the removal or destruction of the property and that:

(i) the property was used or is intended to be used in commission of a felony; or

(ii) the property is dangerous to health or safety.

If property is seized without process under clause (3), subclause (i), the county attorney must institute a forfeiture action under section 609.5313 as soon as is reasonably possible.

Subd. 5. [RIGHT TO POSSESSION VESTS IMMEDIATELY; CUSTODY OF SEIZED PROPERTY.] All right, title, and interest in property subject to forfeiture under sections 609.531 to ~~609.5317~~ 609.5318 vests in the appropriate agency upon commission of the act or omission giving rise to the forfeiture. Any property seized under sections 609.531 to ~~609.5316~~ 609.5318 is not subject to replevin, but is deemed to be in the custody of the appropriate agency subject to the orders and decrees of the court having jurisdiction over the forfeiture proceedings. When property is so seized, the appropriate agency may:

(1) place the property under seal;

(2) remove the property to a place designated by it;

(3) in the case of controlled substances, require the state board of pharmacy to take custody of the property and remove it to an appropriate location for disposition in accordance with law; and

(4) take other steps reasonable and necessary to secure the property and prevent waste.

Subd. 5a. [BOND BY OWNER FOR POSSESSION.] If the owner of property that has been seized under sections 609.531 to ~~609.5317~~ 609.5318 seeks possession of the property before the forfeiture action is determined, the owner may, subject to the approval of the appropriate agency, give security or post bond payable to the appropriate agency in an amount equal to the retail value of the seized property. On posting the security or bond, the seized property must be returned to the owner and the forfeiture action shall proceed against the security as if it were the seized property. This subdivision does not apply to contraband property.

Subd. 6a. [FORFEITURE A CIVIL PROCEDURE; CONVICTION RESULTS IN PRESUMPTION.] (a) An action for forfeiture is a civil in rem action and is independent of any criminal prosecution, except as provided in this subdivision and section 609.5318. The appropriate agency handling the forfeiture has the benefit of the evidentiary presumption of section 609.5314, subdivision 1, but otherwise bears the burden of proving the act or omission giving rise to the forfeiture by clear and convincing evidence, except that in cases arising under section 609.5312, the designated offense may only be established by a ~~felony level~~ *felony-level* criminal conviction.

(b) A court may not issue an order of forfeiture under section 609.5311 while the alleged owner of the property is in custody and related criminal proceedings are pending against the alleged owner. For forfeiture of a motor vehicle, the alleged owner is the registered owner according to records of the department of public safety. For real property, the alleged owner is the owner of record. For other property, the alleged owner is the person notified by the prosecuting authority in filing the forfeiture action.

Sec. 6. Minnesota Statutes 1992, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is \$25 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is \$1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if: (1) if the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 609.5312, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON FORFEITURE OF PROPERTY ASSOCIATED WITH DESIGNATED OFFENSES.] (a) Property used by a person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the commission of a designated offense.

(b) Property is subject to forfeiture under this ~~subdivision~~ section only if the owner was privy to the act or omission upon which the forfeiture is based, or the act or omission occurred with the owner's knowledge or consent.

(c) Property encumbered by a bona fide security interest is subject to the interest of the secured party unless the party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(d) Notwithstanding paragraphs (b) and (c), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the act or omission upon which the forfeiture is based if the owner or secured party took reasonable steps to terminate use of the property by the offender.

Sec. 8. Minnesota Statutes 1992, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

- (1) all money, precious metals, and precious stones found in proximity to:
 - (i) controlled substances;
 - (ii) forfeitable drug manufacturing or distributing equipment or devices; or
 - (iii) forfeitable records of manufacture or distribution of controlled substances; and
- (2) all conveyance devices containing controlled substances with a retail value of \$100 or more if possession or sale of the controlled substance would be a felony under chapter 152; and
- (3) all firearms, ammunition, and firearm accessories found:
 - (i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;
 - (ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or
 - (iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) A claimant of the property bears the burden to rebut this presumption.

Sec. 9. Minnesota Statutes 1992, section 609.5314, subdivision 3, is amended to read:

Subd. 3. [JUDICIAL DETERMINATION.] (a) Within 60 days following service of a notice of seizure and forfeiture under this section, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the county attorney for that county, and the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If the value of the seized property is less than \$500, the claimant may file an action in conciliation court for recovery of the seized property without paying the conciliation court filing fee. No responsive pleading is required of the county attorney and no court

fees may be charged for the county attorney's appearance in the matter. The proceedings are governed by the rules of civil procedure.

(b) The complaint must be captioned in the name of the claimant as plaintiff, and the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized and stating the plaintiff's interest in the property seized. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(c) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under section 609.531, subdivision 6a.

(d) If a demand for judicial determination of an administrative forfeiture is filed under this subdivision and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who filed the demand. In addition, the court may order the payment of reasonable costs, expenses, and attorney fees under section 549.21, subdivision 2. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

Sec. 10. Minnesota Statutes 1992, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313, ~~or 609.5314, or 609.5318~~ that the property is subject to forfeiture, it shall order the appropriate agency to:

(1) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) take custody of the property and remove it for disposition in accordance with law;

(3) forward the property to the federal drug enforcement administration;

(4) disburse money as provided under subdivision 5; or

(5) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 11. Minnesota Statutes 1992, section 609.5315, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ADMINISTRATIVELY FORFEITED PROPERTY.] If property is forfeited administratively under section 609.5314 *or 609.5318* and no demand for judicial determination is made, the appropriate agency may dispose of the property in any of the ways listed in subdivision 1.

Sec. 12. Minnesota Statutes 1992, section 609.5315, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION OF PROCEEDS OF THE OFFENSE.] Property that consists of proceeds derived from or traced to the commission of a designated offense *or a violation of section 609.66, subdivision 3*, must be

applied first to payment of seizure, storage, forfeiture, and sale expenses, and to satisfy valid liens against the property; and second, to any court-ordered restitution before being disbursed as provided under subdivision 5.

Sec. 13. [609.5318] [FORFEITURE OF VEHICLES USED IN DRIVE-BY SHOOTINGS.]

Subdivision 1. [CONVEYANCE DEVICES SUBJECT TO FORFEITURE.] A conveyance device is subject to forfeiture under this section if the prosecutor establishes by clear and convincing evidence that the conveyance device was used in a violation of section 609.66, subdivision 3. The prosecutor need not establish that any individual was convicted of the violation, but a conviction of the owner for a violation of section 609.66, subdivision 3, creates a presumption that the device was used in the violation.

Subd. 2. [NOTICE.] The registered owner of the conveyance device must be notified of the seizure and intent to forfeit the conveyance device within 48 hours after the seizure. Notice by certified mail to the address shown in department of public safety records is deemed to be sufficient notice to the registered owner. Notice must be given in the manner required by section 609.5314, subdivision 2, paragraph (b), and must specify that a request for a judicial determination of the forfeiture must be made within 60 days following the service of the notice. If related criminal proceedings are pending, the notice must also state that a request for a judicial determination of the forfeiture must be made within 60 days following the conclusion of those proceedings.

Subd. 3. [HEARING] (a) Within 60 days following service of a notice of seizure and forfeiture, a claimant may demand a judicial determination of the forfeiture. If a related criminal proceeding is pending, the 60 days begins to run at the conclusion of those proceedings. The demand must be in the form of a civil complaint as provided in section 609.5314, subdivision 3, except as otherwise provided in this section.

(b) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under subdivision 4.

Subd. 4. [PROCEDURE.] (a) If a judicial determination of the forfeiture is requested, a separate complaint must be filed against the conveyance device, stating the specific act giving rise to the forfeiture and the date, time, and place of the act. The action must be captioned in the name of the county attorney or the county attorney's designee as plaintiff and the property as defendant.

(b) If a demand for judicial determination of an administrative forfeiture is filed and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who filed the demand. In addition, the court may order the payment of reasonable costs, expenses, attorney fees, and towing and storage fees. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

Subd. 5. [LIMITATIONS.] (a) A conveyance device used by a person as a common carrier in the transaction of business as a common carrier is subject

to forfeiture under this section only if the owner of the device is a consenting party to, or is privy to, the commission of the act giving rise to the forfeiture.

(b) A conveyance device is subject to forfeiture under this section only if the registered owner was privy to the act upon which the forfeiture is based, the act occurred with the owner's knowledge or consent, or the act occurred due to the owner's gross negligence in allowing another to use the conveyance device.

(c) A conveyance device encumbered by a bona fide security interest is subject to the interest of the secured party unless the party had knowledge of or consented to the act upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

Sec. 14. Minnesota Statutes 1992, section 609.605, is amended by adding a subdivision to read:

Subd. 4. [TRESPASSES ON SCHOOL PROPERTY.] (a) It is a misdemeanor for a person to enter or be found on school property while school is in session or school or extracurricular events are occurring on the property unless the person:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;

(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

(b) A school principal or a school employee designated by the school principal to maintain order on school property, who has reasonable cause to believe that a person is violating this subdivision may detain the person in a reasonable manner for a reasonable period of time pending the arrival of a peace officer. A school principal or designated school employee is not civilly or criminally liable for any action authorized under this paragraph if the person's action is based on reasonable cause.

(c) A peace officer may arrest a person without a warrant if the officer has probable cause to believe the person violated this subdivision within the preceding four hours. The arrest may be made even though the violation did not occur in the peace officer's presence.

(d) As used in this subdivision, "school property" has the meaning given in section 152.01, subdivision 14a, clauses (1) and (3).

Sec. 15. Minnesota Statutes 1992, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY CRIMES; SILENCERS PROHIBITED; RECKLESS DISCHARGE.] (a) Whoever does any of the following is guilty of a felony and may be sentenced as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm; or

(2) intentionally discharges a firearm under circumstances that endanger the safety of another; or

(3) recklessly discharges a firearm within a municipality.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) otherwise, to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

Sec. 16. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1d. [FELONY; POSSESSION ON SCHOOL PROPERTY.] (a) Whoever possesses, stores, or keeps a dangerous weapon as defined in section 609.02, subdivision 6, on school property is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(b) As used in this subdivision, "school property" means:

(1) an elementary, middle, or secondary school building and its grounds; and

(2) the area within a school bus when that bus is being used to transport one or more elementary, middle, or secondary school students.

(c) This subdivision does not apply to:

(1) licensed peace officers, military personnel, or students participating in military training, who are performing official duties;

(2) persons who carry pistols according to the terms of a permit;

(3) persons who keep or store in a motor vehicle pistols in accordance with sections 624.714 and 624.715 or other firearms in accordance with section 97B.045;

(4) firearm safety or marksmanship courses conducted on school property;

(5) possession of dangerous weapons by a ceremonial color guard;

(6) a gun or knife show held on school property; or

(7) possession of dangerous weapons with written permission of the principal.

Sec. 17. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 3. [FELONY; DRIVE-BY SHOOTING.] (a) Whoever recklessly discharges a firearm when the person is in a passenger vehicle at or toward another passenger vehicle or a dwelling is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both. If the vehicle or dwelling is occupied,

the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) For purposes of this subdivision, "passenger vehicle" has the meaning given in section 169.01, subdivision 3a, and "dwelling" has the meaning given in section 609.605, subdivision 1.

Sec. 18. [609.666] [NEGLIGENT STORAGE OF FIREARMS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following words have the meanings given.

(a) "Firearm" means a device designed to be used as a weapon, from which is expelled a projectile by the force of any explosion or force of combustion.

(b) "Child" means a person under the age of 16 years.

(c) "Loaded" means the firearm has ammunition in the chamber or magazine, if the magazine is in the firearm, unless the firearm is incapable of being fired by a child who is likely to gain access to the firearm.

Subd. 2. [ACCESS TO FIREARMS.] A person is guilty of a gross misdemeanor who stores or leaves a loaded firearm in a location where the person knows, or reasonably should know, that a child is likely to gain access.

Subd. 3. [LIMITATIONS.] Subdivision 2 does not apply to a child's access to firearms that is supervised by an adult or to a child's access to firearms that was obtained as a result of an unlawful entry.

Sec. 19. Minnesota Statutes 1992, section 609.67, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION DEFINITIONS.] (a) "Machine gun" means any firearm designed to discharge, or capable of discharging automatically more than once by a single function of the trigger, or modified with any device enabling the firearm to be fired at the rate of a machine gun.

(b) "Shotgun" means a weapon designed, redesigned, made or remade which is intended to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(c) "Short-barreled shotgun" means a shotgun having one or more barrels less than 18 inches in length and any weapon made from a shotgun if such weapon as modified has an overall length less than 26 inches.

Sec. 20. Minnesota Statutes 1992, section 609.67, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Except as otherwise provided herein, whoever owns, possesses, or operates a machine gun, any device enabling a firearm to be fired at the rate of a machine gun, or a short-barreled shotgun may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 21. [609.672] [PERMISSIVE INFERENCE; FIREARMS IN AUTOMOBILES.]

The presence of a firearm in a passenger automobile permits the factfinder to infer knowing possession of the firearm by the driver or person in control

of the automobile when the firearm was in the automobile. The inference does not apply:

(1) to a licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;

(2) to any person in the automobile if one of them legally possesses a firearm; or

(3) when the firearm is concealed on the person of one of the occupants.

Sec. 22. Minnesota Statutes 1992, section 624.711, is amended to read:

624.711 [DECLARATION OF POLICY.]

It is not the intent of the legislature to regulate shotguns, rifles and other longguns of the type commonly used for hunting and not defined as pistols or military assault weapons, or to place costs of administration upon those citizens who wish to possess or carry pistols or military assault weapons lawfully, or to confiscate or otherwise restrict the use of pistols or military assault weapons by law-abiding citizens.

Sec. 23. Minnesota Statutes 1992, section 624.712, subdivision 6, is amended to read:

Subd. 6. "Transfer" means a sale, gift, loan, assignment or other delivery to another, whether or not for consideration, of a pistol or military assault weapon or the frame or receiver of a pistol or military assault weapon.

Sec. 24. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 7. "Military assault weapon" means:

(1) any of the following firearms:

(i) Avtomat Kalashnikov (AK-47) semiautomatic rifle type;

(ii) Beretta AR-70 and BM-59 semiautomatic rifle types;

(iii) Colt AR-15 semiautomatic rifle type;

(iv) Daewoo Max-1 and Max-2 semiautomatic rifle types;

(v) Famas MAS semiautomatic rifle type;

(vi) Fabrique Nationale FN-LAR and FN-FNC semiautomatic rifle types;

(vii) Galil semiautomatic rifle type;

(viii) Heckler & Koch HK-91, HK-93, and HK-94 semiautomatic rifle types;

(ix) Ingram MAC-10 and MAC-11 semiautomatic pistol and carbine types;

(x) Intratec TEC-9 semiautomatic pistol type;

(xi) Sigarms SIG 550SP and SIG 551SP semiautomatic rifle types;

(xii) SKS with detachable magazine semiautomatic rifle type;

(xiii) Steyr AUG semiautomatic rifle type;

(xiv) Street Sweeper and Striker-12 revolving-cylinder shotgun types;

- (xv) *USAS-12 semiautomatic shotgun type;*
- (xvi) *Uzi semiautomatic pistol and carbine types; or*
- (xvii) *Valmet M76 and M78 semiautomatic rifle types;*

(2) *any firearm that is another model made by the same manufacturer as one of the firearms listed in clause (1), and has the same action design as one of the listed firearms, and is a redesigned, renamed, or renumbered version of one of the firearms listed in clause (1), or has a slight modification or enhancement, including but not limited to a folding or retractable stock; adjustable sight; case deflector for left-handed shooters; shorter barrel; wooden, plastic, or metal stock; larger clip size; different caliber; or a bayonet mount; and*

(3) *any firearm that has been manufactured or sold by another company under a licensing agreement with a manufacturer of one of the firearms listed in clause (1) entered into after the effective date of this act to manufacture or sell firearms that are identical or nearly identical to those listed in clause (1), or described in clause (2), regardless of the company of production or country of origin.*

The weapons listed in clause (1), except those listed in items (iii), (ix), (x), (xiv), and (xv), are the weapons the importation of which was barred by the Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the Treasury in July 1989.

Except as otherwise specifically provided in paragraph (d), a firearm is not a "military assault weapon" if it is generally recognized as particularly suitable for or readily adaptable to sporting purposes under United States Code, title 18, section 925, paragraph (d)(3), or any regulations adopted pursuant to that law.

Sec. 25. Minnesota Statutes 1992, section 62A.713, is amended to read:

62A.713 [CERTAIN PERSONS NOT TO HAVE PISTOLS OR MILITARY ASSAULT WEAPONS; PENALTY.]

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol or military assault weapon:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol or military assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or military assault weapon and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the ~~unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16 of a misdemeanor or gross misdemeanor violation of chapter 152,~~ or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Subd. 2. [PENALTIES.] A person named in subdivision 1, clause (a) or (b), who possesses a pistol or *military assault weapon* is guilty of a felony. A person named in any other clause of subdivision 1 who possesses a pistol or *military assault weapon* is guilty of a gross misdemeanor.

Subd. 3. [NOTICE TO CONVICTED PERSONS.] When a person is convicted of a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from possessing a pistol or *military assault weapon* for a period of ten years after the person was restored to civil rights or since the sentence has expired, whichever occurs first, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol or *military assault weapon* possession prohibition or the felony penalty to that defendant.

Sec. 26. Minnesota Statutes 1992, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a ~~pistol~~ transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee; and

(c) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol *or military assault weapon*.

The statement shall be signed by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 27. Minnesota Statutes 1992, section 624.7131, subdivision 4, is amended to read:

Subd. 4. [GROUNDS FOR DISQUALIFICATION.] A determination by the chief of police or sheriff that the applicant is prohibited by section 624.713 from possessing a pistol *or military assault weapon* shall be the only basis for refusal to grant a transferee permit.

Sec. 28. Minnesota Statutes 1992, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol *or military assault weapon* to a *licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714* is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 29. Minnesota Statutes 1992, section 624.7132, is amended to read:

624.7132 [REPORT OF TRANSFER.]

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol *or military assault weapon* shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(c) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol *or military assault weapon*; and

(d) the address of the place of business of the transferor.

The report shall be signed by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Subd. 2. [INVESTIGATION.] Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota crime information system.

Subd. 3. [NOTIFICATION.] The chief of police or sheriff shall notify the transferor and proposed transferee in writing as soon as possible if the chief or sheriff determines that the proposed transferee is prohibited by section 624.713 from possessing a pistol *or military assault weapon*. The notification to the transferee shall specify the grounds for the disqualification of the proposed transferee and shall set forth in detail the transferee's right of appeal under subdivision 13.

Subd. 4. [DELIVERY.] *Except as otherwise provided in subdivision 7 or 8*, no person shall deliver a pistol *or military assault weapon* to a proposed transferee until seven days after the date of the agreement to transfer as stated on the report delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period.

No person shall deliver a pistol *or military assault weapon* to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol *or military assault weapon*.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, the pistol *or military assault weapon* may be delivered to the transferee.

Subd. 5. [GROUNDS FOR DISQUALIFICATION.] A determination by the chief of police or sheriff that the proposed transferee is prohibited by section 624.713 from possessing a pistol *or military assault weapon* shall be the sole basis for a notification of disqualification under this section.

Subd. 6. [TRANSFEREE PERMIT.] If a chief of police or sheriff determines that a transferee is not a person prohibited by section 624.713 from possessing a pistol *or military assault weapon*, the transferee may, within 30 days after the determination, apply to that chief of police or sheriff for a transferee permit, and the permit shall be issued.

Subd. 7. [IMMEDIATE TRANSFERS.] The chief of police or sheriff may waive all or a portion of the seven day waiting period for a transfer.

Subd. 8. [REPORT NOT REQUIRED.] (1) If the proposed transferee presents a valid transferee permit issued under section 624.714, ~~subdivision 9 624.7131~~ or a valid permit to carry issued under section 624.714, *or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, who presents a valid peace officer photo identification and badge*, the transferor need not file a transfer report.

(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol *or military assault weapon* may be made under subdivision 4.

Subd. 9. [NUMBER OF PISTOLS OR MILITARY ASSAULT WEAPONS.] Any number of pistols or *military assault weapons* may be the subject of a single transfer agreement and report to the chief of police or sheriff. Nothing in this section or section 624.7131 shall be construed to limit or restrict the number of pistols or *military assault weapons* a person may acquire.

Subd. 10. [RESTRICTION ON RECORDS.] If, after a determination that the transferee is not a person prohibited by section 624.713 from possessing a pistol or *military assault weapon*, a transferee requests that no record be maintained of the fact of who is the transferee of a pistol or *military assault weapon*, the chief of police or sheriff shall sign the transfer report and return it to the transferee as soon as possible. Thereafter, no government employee or agency shall maintain a record of the transfer that identifies the transferee, and the transferee shall retain the report of transfer.

Subd. 11. [FORMS; COST.] Chiefs of police and sheriffs shall make transfer report forms available throughout the community. There shall be no charge for forms, reports, investigations, notifications, waivers or any other act performed or materials provided by a government employee or agency in connection with a pistol transfer.

Subd. 12. [EXCLUSIONS.] This section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

- (a) A transfer by a person other than a federally licensed firearms dealer;
- (b) A loan to a prospective transferee if the loan is intended for a period of no more than one day;
- (c) The delivery of a pistol or *military assault weapon* to a person for the purpose of repair, reconditioning or remodeling;
- (d) A loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;
- (e) A loan between persons at a firearms collectors exhibition;
- (f) A loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than 12 hours;
- (g) A loan between law enforcement officers who have the power to make arrests other than citizen arrests; and
- (h) A loan between employees or between the employer and an employee in a business if the employee is required to carry a pistol or *military assault weapon* by reason of employment and is the holder of a valid permit to carry a pistol or *military assault weapon*.

Subd. 13. [APPEAL.] A person aggrieved by the determination of a chief of police or sheriff that the person is prohibited by section 624.713 from possessing a pistol or *military assault weapon* may appeal the determination as provided in this subdivision. In Hennepin and Ramsey counties the municipal court shall have jurisdiction of proceedings under this subdivision. In the remaining counties of the state, the county court shall have jurisdiction of proceedings under this subdivision.

On review pursuant to this subdivision, the court shall be limited to a determination of whether the proposed transferee is a person prohibited from possessing a pistol *or military assault weapon* by section 624.713.

Subd. 14. [TRANSFER TO UNKNOWN PARTY.] (a) No person shall transfer a pistol *or military assault weapon* to another who is not personally known to the transferor unless the proposed transferee presents evidence of identity to the transferor. A person who transfers a pistol *or military assault weapon* in violation of this clause is guilty of a misdemeanor.

(b) No person who is not personally known to the transferor shall become a transferee of a pistol *or military assault weapon* unless the person presents evidence of identity to the transferor. A person who becomes a transferee of a pistol *or military assault weapon* in violation of this clause is guilty of a misdemeanor.

Subd. 15. [PENALTIES.] A person who does any of the following is guilty of a gross misdemeanor:

(a) Transfers a pistol *or military assault weapon* in violation of subdivisions 1 to 13;

(b) Transfers a pistol *or military assault weapon* to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

(c) Knowingly becomes a transferee in violation of subdivisions 1 to 13; or

(d) Makes a false statement in order to become a transferee of a pistol *or military assault weapon* knowing or having reason to know the statement is false.

Subd. 16. [LOCAL REGULATION.] This section shall be construed to supersede municipal or county regulation of the transfer of pistols.

Sec. 30. Minnesota Statutes 1992, section 624.714, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] (a) A person, other than a law enforcement officer who has authority to make arrests other than citizens arrests, who carries, holds or possesses a pistol *or military assault weapon* in a motor vehicle, snowmobile or boat, or on or about the person's clothes or the person, or otherwise in possession or control in a public place or public area without first having obtained a permit to carry the pistol *or military assault weapon* is guilty of a gross misdemeanor. A person who is convicted a second or subsequent time is guilty of a felony.

(b) A person who has been issued a permit and who engages in activities other than those for which the permit has been issued, is guilty of a misdemeanor.

Sec. 31. [624.7162] [FIREARMS DEALERS; SAFETY REQUIREMENTS.]

Subdivision 1. [FIREARMS DEALERS.] For purposes of this section, a firearms dealer is any person who is federally licensed to sell firearms from any location.

Subd. 2. [NOTICE REQUIRED.] In each business location where firearms are sold by a firearms dealer, the dealer shall post in a conspicuous location

the following warning in block letters not less than one inch in height: "IT IS UNLAWFUL TO STORE OR LEAVE AN UNLOCKED LOADED FIREARM WHERE A CHILD CAN OBTAIN ACCESS."

Subd. 3. [FINE.] A person who violates the provisions of this section is guilty of a petty misdemeanor and may be fined not more than \$200.

Sec. 32. [624.7181] [RIFLES AND SHOTGUNS IN PUBLIC PLACES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Carry" does not include:

(1) the carrying of a rifle or shotgun to, from, or at a place where firearms are repaired, bought, sold, traded, or displayed, or where hunting, target shooting, or other lawful activity involving firearms occurs;

(2) the carrying of a rifle or shotgun by a person who has a permit under section 624.714;

(3) the carrying of an antique firearm as a curiosity or for its historical significance or value; or

(4) the transporting of a rifle or shotgun in compliance with section 97B.045.

(b) "Public place" means property owned, leased, or controlled by a governmental unit and private property that is regularly and frequently open to or made available for use by the public in sufficient numbers to give clear notice of the property's current dedication to public use but does not include: a person's dwelling house or premises, the place of business owned or managed by the person, or land possessed by the person; a gun show, gun shop, or hunting or target shooting facility; or the woods, fields, or waters of this state where the person is present lawfully for the purpose of hunting or target shooting or other lawful activity involving firearms.

Subd. 2. [GROSS MISDEMEANOR.] Whoever carries a rifle or shotgun on or about the person in a public place in a municipality is guilty of a gross misdemeanor.

Subd. 3. [EXCEPTIONS.] This section does not apply to officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States, or private detectives or protective agents, to the extent that these persons are authorized by law to carry firearms and are acting in the scope of official duties.

Sec. 33. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 31, and 33 are effective August 1, 1993, and apply to crimes committed on or after that date.

Section 3 is applicable to zoning regulations adopted after the effective date of this act and may only regulate future sites of business locations where firearms are sold by a firearms dealer.

ARTICLE 2

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 169.98, subdivision 1a, is amended to read:

Subd. 1a. [VEHICLE STOPS.] Except as otherwise permitted under sections 221.221 and 299D.06, Only a person who is licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to section 626.863 may use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2. *In addition, a hazardous materials specialist employed by the department of transportation may, in the course of responding to an emergency, use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2.*

Sec. 2. Minnesota Statutes 1992, section 260.161, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual *to another juvenile court that has jurisdiction of the juvenile*, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. ~~The legal~~ *Unless otherwise provided by law, all court records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian. A child over the age of 14, the guardian of a child, or either parent of a child, unless one parent has been awarded sole legal custody, may consent to the release of court records concerning the child. If the court is in doubt as to the custody status of a child, it may require the parent giving consent to provide proof of the custody status.*

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 3. Minnesota Statutes 1992, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section

260.155, subdivision 1, peace officers' records of children *who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except are private data but shall be disseminated:* (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court *unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10.* Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor. *In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.*

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles *in the same manner as juvenile court records and names under this section as private data.*

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. Minnesota Statutes 1992, section 299D.06, is amended to read:

299D.06 [INSPECTIONS; WEIGHING.]

Personnel to enforce the laws relating to motor vehicle equipment, school bus equipment, drivers license, motor vehicle registration, motor vehicle size and weight, and motor vehicle petroleum tax, to enforce public utilities commission rules relating to motor carriers, to enforce pollution control

agency rules relating to motor vehicle noise abatement, and to enforce laws relating to directing the movement of vehicles shall be classified employees of the commissioner of public safety assigned to the division of state patrol. Employees engaged in these duties, while actually on the job during their working hours only, shall have power to *issue citations in lieu of arrest and continued detention* and to prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, *subdivision 3*. They shall not be armed and shall have none of the other powers and privileges reserved to peace officers.

Sec. 5. Minnesota Statutes 1992, section 480.0591, subdivision 6, is amended to read:

Subd. 6. [PRESENT LAWS EFFECTIVE UNTIL MODIFIED; RIGHTS RESERVED.] Present statutes relating to evidence shall be effective until modified or superseded by court rule. If a rule of evidence is promulgated which is in conflict with a statute, the statute shall thereafter be of no force and effect. The supreme court, however, shall not have the power to promulgate rules of evidence which conflict, modify, or supersede the following statutes:

(a) statutes which relate to the competency of witnesses to testify, found in sections 595.02 to 595.025;

(b) statutes which establish the prima facie evidence as proof of a fact;

(c) statutes which establish a presumption or a burden of proof;

(d) *statutes which relate to the admissibility of statistical probability evidence based on genetic or blood test results, found in sections 634.25 to 634.30;*

(e) statutes which relate to the privacy of communications; and

(f) statutes which relate to the admissibility of certain documents.

The legislature may enact, modify, or repeal any statute or modify or repeal any rule of evidence promulgated under this section.

Sec. 6. Minnesota Statutes 1992, section 626.05, subdivision 2, is amended to read:

Subd. 2. The term "peace officer", as used in sections 626.04 to 626.17, means a *person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, constable, conservation officer, agent of the bureau of criminal apprehension, agent of the division of gambling enforcement, or University of Minnesota peace officer.*

Sec. 7. Minnesota Statutes 1992, section 626A.06, subdivision 4, is amended to read:

Subd. 4. [THE WARRANT.] Each warrant to intercept communications shall be directed to a law enforcement officer, commanding the officer to hold the recording of all intercepted communications conducted under said warrant in custody subject to the further order of the court issuing the warrant. The warrant shall contain the grounds for its issuance with findings, as to the existence of the matters contained in subdivision 1 and shall also specify:

(a) the identity of the person, if known, whose communications are to be intercepted and recorded;

(b) the nature and location of the communications facilities as to which, or the place where, authority to intercept is granted, and in the case of telephone or telegraph communications the general designation of the particular line or lines involved;

(c) a particular description of the type of communication sought to be intercepted, and a statement of the particular offense to which it relates;

(d) the identity of the law enforcement office or agency authorized to intercept the communications, the name of the officer or officers thereof authorized to intercept communications, and of the person authorizing the application;

(e) the period of time during which such interception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described communication has been first obtained;

(f) any other limitations on the interception of communications being authorized, for the protection of the rights of third persons;

(g) a statement that using, divulging, or disclosing any information concerning such application and warrant for intercepting communications is prohibited and that any violation is punishable by the penalties of this chapter.

(h) a statement that the warrant shall be executed as soon as practicable, shall be executed in such a way as to minimize the interception of communications not otherwise subject to interception under this chapter and must terminate upon attainment of the authorized objective, or in any event in ~~ten~~ 30 days. The ~~ten-day~~ 30-day period begins on the earlier of the day on which the investigative or law enforcement officer first begins to conduct an interception under the order or ~~ten~~ 30 days after the order is received. In the event the intercepted communication is in a code or foreign language, and an expert in that foreign language or code is not reasonably available during the interception period, minimization may be accomplished as soon as practicable after such interception.

An order authorizing the interception of a wire, oral, or electronic communication under this chapter must, upon request of the applicant, direct that a provider of wire or electronic communication service, landlord, custodian, or other person shall furnish the applicant immediately all information, facilities, and technical assistance necessary to accomplish the interception unobtrusively and with a minimum of interference with the services that the service provider, landlord, custodian, or person is according the person whose communications are to be intercepted. A provider of wire or electronic communication service, landlord, custodian, or other person furnishing facilities or technical assistance must be compensated by the applicant for reasonable expenses incurred in providing the facilities or assistance.

Denial of an application for a warrant to intercept communications or of an application for renewal of such warrant shall be by written order that shall include a statement as to the offense or offenses designated in the application, the identity of the official applying for the warrant and the name of the law enforcement office or agency.

Sec. 8. Minnesota Statutes 1992, section 626A.06, subdivision 5, is amended to read:

Subd. 5. [DURATION OF WARRANT.] No warrant entered under this section may authorize or approve the interception of any wire, electronic, or oral communication for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than ~~ten~~ 30 days.

The effective period of any warrant for intercepting communications shall terminate immediately when any person named in the warrant has been charged with an offense specified in the warrant.

ARTICLE 3

PROSTITUTION

Section 1. [609.5318] [CERTAIN LOCAL FORFEITURE ORDINANCES AUTHORIZED.]

Subdivision 1. [AUTHORITY.] A home rule charter or statutory city may enact an ordinance providing for the forfeiture of a motor vehicle used to commit or facilitate, or used during the commission of, a violation of section 609.324 or a violation of a local ordinance substantially similar to section 609.324. A motor vehicle is subject to forfeiture under an ordinance authorized by this section only if the offense is established by proof of a criminal conviction for the offense.

Subd. 2. [PROCEDURES.] Except as otherwise provided in this section, an ordinance adopted under the authority of this section shall contain procedures that are identical to those contained in sections 609.531, 609.5312, and 609.5313. An ordinance adopted under this section must exempt from impoundment and forfeiture any motor vehicle leased or rented under the authority set forth in section 168.27, subdivision 4, for a period of less than 180 days.

Subd. 3. [ADDITIONAL PROCEDURES AND REQUIREMENTS.] (a) An ordinance adopted under the authority of this section must also contain the provisions described in this subdivision.

(b) The ordinance must provide that if a motor vehicle is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The ordinance must also require the prosecuting authority to certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.324 or a local ordinance substantially similar to section 609.324.

(c) The ordinance must provide that after conducting a hearing described in paragraph (b), the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by paragraph (b);

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in section 609.5312, subdivision 2; or

(3) *the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.*

(d) *The ordinance must provide that a court conducting a hearing under paragraph (b) also may order that the motor vehicle be returned to the owner within 24 hours if the owner surrenders the motor vehicle's certificate of title to the court, pending resolution of the criminal proceeding and forfeiture action. If the certificate is surrendered to the court, the owner may not be ordered to post security or bond as a condition to release of the vehicle. When a certificate of title is surrendered to a court under this provision, the court shall notify the department of public safety and any secured party noted on the certificate. The court shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.*

Subd. 4. [REPORT.] *A city adopting an ordinance under this section shall submit a report to the bureau of criminal apprehension by October 15 of each year, beginning in 1994, describing the use of the ordinance and the number of vehicles seized and forfeited during the 12 months ended the previous June 30. The superintendent of the bureau shall include in a report to the legislature a summary of the cities' reports.*

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 169.222, subdivision 6, is amended to read:

Subd. 6. [BICYCLE EQUIPMENT.] (a) No person shall operate a bicycle at nighttime unless the bicycle or its operator is equipped with a lamp which shall emit a white light visible from a distance of at least 500 feet to the front and with a red reflector of a type approved by the department of public safety which is visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of head lamps on a motor vehicle. No person may operate a bicycle at any time when there is not sufficient light to render persons and vehicles on the highway clearly discernible at a distance of 500 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be visible during the hours of darkness from 600 feet when viewed in front of lawful lower beams of head lamps on a motor vehicle.

The reflective surfaces shall include reflective materials on each side of each pedal to indicate their presence from the front or the rear and with a minimum of 20 square inches of reflective material on each side of the bicycle or its operator. Any bicycle equipped with side reflectors as required by regulations for new bicycles prescribed by the United States Consumer Product Safety Commission shall be considered to meet the requirements for side reflectorization contained in this subdivision.

A bicycle may be equipped with a rear lamp that emits a red flashing signal.

(b) No person shall operate a bicycle unless it is equipped with a brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement.

(c) No person shall operate upon a highway any bicycle equipped with handlebars so raised that the operator must elevate the hands above the level of the shoulders in order to grasp the normal steering grip area.

(d) No person shall operate upon a highway any bicycle which is of such a size as to prevent the operator from stopping the bicycle, supporting it with at least one foot on the highway surface and restarting in a safe manner.

Sec. 2. Minnesota Statutes 1992, section 169.222, is amended by adding a subdivision to read:

Subd. 11. [PEACE OFFICERS OPERATING BICYCLES.] The provisions of this section governing operation of bicycles do not apply to bicycles operated by peace officers while performing their duties.

Sec. 3. Minnesota Statutes 1992, section 169.64, subdivision 3, is amended to read:

Subd. 3. [FLASHING LIGHTS.] Flashing lights are prohibited, except on an authorized emergency vehicle, school bus, bicycle as provided in section 169.222, subdivision 6, road maintenance equipment, tow truck or towing vehicle, service vehicle, farm tractors, self-propelled farm equipment or on any vehicle as a means of indicating a right or left turn, or the presence of a vehicular traffic hazard requiring unusual care in approaching, overtaking or passing. All flashing warning lights shall be of the type authorized by section 169.59, subdivision 4, unless otherwise permitted or required in this chapter.

Sec. 4. Minnesota Statutes 1992, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6); or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 5. Minnesota Statutes 1992, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 6. Minnesota Statutes 1992, section 289A.63, is amended by adding a subdivision to read:

Subd. 11. [CONSOLIDATION OF VENUE.] If two or more offenses in this section are committed by the same person in more than one county, the accused may be prosecuted for all the offenses in any county in which one of the offenses was committed.

Sec. 7. Minnesota Statutes 1992, section 297B.10, is amended to read:
297B.10 [PENALTIES.]

(1) Any person, including persons other than the purchaser, who prepares, completes, or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under this chapter or any purchaser who fails to complete or submit a motor vehicle purchaser's certificate with intent to defeat or evade the tax or who attempts to defeat or evade the tax in any manner, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event the person is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(2) Any person who violates any of the provisions of this chapter, unless the violation be of the type referred to in clause (1), is guilty of a misdemeanor and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both.

(3) When two or more offenses in clause (1) are committed by the same person within six months, the offenses may be aggregated; further, if the offenses are committed in more than one county, the accused may be prosecuted for all the offenses aggregated under this paragraph in any county in which one of the offenses was committed.

Sec. 8. Minnesota Statutes 1992, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, *pawn shops*, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, *self-service storage facilities*, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 9. Minnesota Statutes 1992, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 609.251, 609.585, 609.21, subdivisions 3 and 4, 609.2691, 609.486, and 609.856, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 10. Minnesota Statutes 1992, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION *OR FINE*.] If the court orders payment of restitution *or a fine* as a condition of probation and if the defendant fails to pay the restitution *or the fine* in accordance with the payment schedule or structure established by the court or the probation officer, the defendant's probation officer may, on the officer's own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution *or fine* ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph (f), before the defendant's term of probation expires.

Sec. 11. Minnesota Statutes 1992, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than three years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution *or a fine* in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution *or fine* the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution *or a fine* may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution *or fine* that the defendant owes.

Sec. 12. Minnesota Statutes 1992, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2) or (4); or

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 13. Minnesota Statutes 1992, section 609.251, is amended to read:

609.251 [DOUBLE JEOPARDY; KIDNAPPING.]

Notwithstanding section 609.04, a prosecution for or conviction of the crime of kidnapping is not a bar to conviction of *or punishment for* any other crime committed during the time of the kidnapping.

Sec. 14. Minnesota Statutes 1992, section 609.585, is amended to read:

609.585 [DOUBLE JEOPARDY.]

Notwithstanding section 609.04 a prosecution for or conviction of the crime of burglary is not a bar to conviction of *or punishment for* any other crime committed on entering or while in the building entered.

Sec. 15. Minnesota Statutes 1992, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years. *As used in this subdivision, "crime of violence" has the meaning given "violent crime" in section 609.152, subdivision 1, paragraph (d).*

Sec. 16. Minnesota Statutes 1992, section 609.856, subdivision 1, is amended to read:

Subdivision 1. [ACTS CONSTITUTING.] Whoever has in possession or uses a radio or device capable of receiving or transmitting a police radio signal, message, or transmission of information used for law enforcement purposes; while in the commission of a felony or violation of section 609.487 or the attempt to commit a felony or violation of section 609.487, is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both. *Notwithstanding section 609.04*, a prosecution for or conviction of the crime of use or possession of a police radio under this section is not a bar to conviction of *or punishment for* any other crime committed while possessing or using the police radio by the defendant as part of the same conduct.

Sec. 17. Minnesota Statutes 1992, section 611A.19, subdivision 1, is amended to read:

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of violating section 609.342, 609.343, 609.344, or 609.345, or a juvenile adjudicated delinquent for violating one of those sections, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

- (1) the prosecutor moves for the test order in camera;
- (2) the victim requests the test; and

(3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal or juvenile record or be maintained in any record of the court or court services.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 3, 6, 7, 9, and 13 to 16 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 4, 5, and 12 are effective October 1, 1993, and apply to crimes committed on or after that date. Sections 8 and 10 are effective August 1, 1993.

ARTICLE 5 PROBATION

Section 1. Minnesota Statutes 1992, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] A person shall comply with register under this section after being released from prison if:

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25, criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, solicitation of children to engage in sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322, and the offense was committed against a victim who was a minor;

(2) the person is not now required to register under section 243.165; and

(3) ten years have not yet elapsed since the person was released from imprisonment charged with a felony violation of or attempt to violate any of the following, and convicted of that offense or of another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c), or (d); or 609.345, subdivision 1, paragraph (c), or (d); or

(2) *the person was convicted of a predatory crime as defined in section 609.1352, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.*

Sec. 2. Minnesota Statutes 1992, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section is ~~released~~ *sentenced*, the ~~commissioner of corrections~~ *court* shall tell the person of the duty to register under ~~section 243.165 and this section~~. The ~~commissioner~~ *court* shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. ~~The commissioner shall obtain the address where the person expects to reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.~~

Sec. 3. Minnesota Statutes 1992, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, ~~within 14 days after the end of the term of supervised release~~, register with the ~~probation officer~~ *corrections agent as soon as the agent is assigned to the person at the end of that term.*

(b) If the person changes residence address, the person shall give the new address to the ~~current or last assigned probation officer~~ *corrections agent* in writing within ten days. *An offender is deemed to change addresses when the offender remains at a new address for longer than two weeks and evinces an intent to take up residence there.* The ~~probation officer~~ *agent* shall, within three business days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 4. Minnesota Statutes 1992, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the ~~probation officer~~ *corrections agent* must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the ~~probation officer~~ *corrections agent* shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension. *The bureau shall send one copy to the appropriate law enforcement authority that will have jurisdiction where the person will reside on release or discharge.*

Sec. 5. Minnesota Statutes 1992, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was ~~released from imprisonment~~ *initially assigned to a*

corrections agent in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later.

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 6. Minnesota Statutes 1992, section 243.166, is amended by adding a subdivision to read:

Subd. 8. [LAW ENFORCEMENT AUTHORITY.] For purposes of this section, a law enforcement authority means, with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the sheriff of the county.

Sec. 7. Minnesota Statutes 1992, section 243.166, is amended by adding a subdivision to read:

Subd. 9. [PRISONERS FROM OTHER STATES.] When the state accepts a prisoner from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota following a term of imprisonment if any part of that term was served in this state.

Sec. 8. Minnesota Statutes 1992, section 299C.46, is amended by adding a subdivision to read:

Subd. 5. [DIVERSION PROGRAMS.] The bureau of criminal apprehension shall receive from counties operating diversion programs the names of and other identifying data specified by the bureau of criminal apprehension concerning diversion program participants, and maintain the names and data in the computerized criminal history system for 20 years from the date of the offense. Data maintained under this subdivision are private data.

Sec. 9. Minnesota Statutes 1992, section 299C.54, is amended by adding a subdivision to read:

Subd. 3a. [COLLECTION OF DATA.] Identifying information on missing children entered into the NCIC computer regarding cases that are still active at the time the missing children bulletin is compiled each quarter may be included in the bulletin.

Sec. 10. Minnesota Statutes 1992, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) Probation officers serving the district and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections

241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

(c) *The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person on a court authorized pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release.*

Sec. 11. [401.065] [PRETRIAL DIVERSION PROGRAMS.]

Subdivision 1. [DEFINITION.] As used in this section:

(1) "offender" means a person who:

(i) is charged with a felony, gross misdemeanor, or misdemeanor crime, other than a crime against the person, but who has not yet entered a plea in the proceedings;

(ii) has not previously been convicted as an adult in Minnesota or any other state of any felony crime against the person; and

(iii) has not previously been charged with a crime as an adult in Minnesota and then had charges dismissed as part of a diversion program, including a program that existed before July 1, 1994; and

(2) "pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the criminal charges against the offender will be dismissed after a specified period of time if the offender successfully completes the program.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] By July 1, 1994, every county attorney of a county participating in the community corrections act shall establish a pretrial diversion program for adult offenders. The program must be designed and operated to further the following goals:

(1) to provide eligible offenders with an alternative to confinement and a criminal conviction;

(2) to reduce the costs and caseload burdens on district courts and the criminal justice system;

(3) to minimize recidivism among diverted offenders;

(4) to promote the collection of restitution to the victim of the offender's crime; and

(5) to develop responsible alternatives to the criminal justice system for eligible offenders.

Subd. 3. [PROGRAM COMPONENTS.] A diversion program established under this section may:

(1) provide screening services to the court and the prosecuting authorities to help identify likely candidates for pretrial diversion;

(2) establish goals for diverted offenders and monitor performance of these goals;

(3) perform chemical dependency assessments of diverted offenders where indicated, make appropriate referrals for treatment, and monitor treatment and aftercare;

(4) provide individual, group, and family counseling services;

(5) oversee the payment of victim restitution by diverted offenders;

(6) assist diverted offenders in identifying and contacting appropriate community resources;

(7) provide educational services to diverted offenders to enable them to earn a high school diploma or GED; and

(8) provide accurate information on how diverted offenders perform in the program to the court, prosecutors, defense attorneys, and probation officers.

Subd. 4. [REPORTS.] By January 1, 1995, and biennially thereafter, each county attorney shall report to the department of corrections on the operation of a pretrial diversion program required by this section. The commissioner shall include in the report to the legislature a summary of the reports submitted by county attorneys under this section. The report shall include a description of the program, the number of offenders participating in the program, the number and characteristics of the offenders who successfully complete the program, the number and characteristics of the offenders who fail to complete the program, and an evaluation of the program's effect on the operation of the criminal justice system in the county.

Sec. 12. Minnesota Statutes 1992, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION.] If the court orders payment of restitution as a condition of probation and if the defendant fails to pay the restitution in accordance with the payment schedule or structure established by the court or the probation officer, the prosecutor or the defendant's probation officer may, on the officer's or the prosecutor's own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph (g), before the defendant's term of probation expires.

Sec. 13. Minnesota Statutes 1992, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than three years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged ~~when~~ *six months after the term of the stay expires*, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 14. Minnesota Statutes 1992, section 609.14, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay ~~thereof and probation~~ and direct that the defendant be taken into immediate custody.

(b) *When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the rules of criminal*

procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

Sec. 15. Minnesota Statutes 1992, section 609.3461, is amended to read:

609.3461 [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

Subdivision 1. [UPON SENTENCING.] ~~When a~~ *The court shall order an offender to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 when:*

(1) the court sentences a person convicted of charged with violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or when a who is convicted of violating one of those sections or of any felony offense arising out of the same set of circumstances;

(2) the court sentences a person as a patterned sex offender under section 609.1352; or

(3) the juvenile court adjudicates a person a delinquent child who is the subject of a delinquency petition for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 and the delinquency adjudication is based on a violation of one of those sections or of any felony-level offense arising out of the same set of circumstances. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 299C.155.

Subd. 2. [BEFORE RELEASE.] *If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or initially charged with violating one of those sections and convicted of another felony offense arising out of the same set of circumstances, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody of the commissioner of corrections for a term of imprisonment, or serving a term of imprisonment in this state under a reciprocal agreement although convicted in another state of an offense described in this subdivision or under any similar law of the United States or any other state, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.*

Subd. 3. [PRISONERS FROM OTHER STATES.] *When the state accepts a prisoner from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender providing a biological specimen for the purposes of DNA analysis as defined in section 299C.155, if the offender was convicted of an offense described in subdivision 1 or under any similar law of the United States or any other state. The specimen must be provided under supervision of staff from the department of corrections or a community corrections act county within 15 business days after the offender reports to the supervising*

agent. The cost of obtaining the biological specimen is the responsibility of the agency providing supervision.

Sec. 16. [PROBATION TASK FORCE.]

Subdivision 1. [CONTINUATION OF TASK FORCE.] The probation standards task force appointed under Laws 1992, chapter 571, article 11, section 15, shall file the report required by this section.

Subd. 2. [STAFF.] The commissioner of corrections shall make available staff as appropriate to support the work of the task force.

Subd. 3. [REPORT.] The task force shall report to the legislature by October 1, 1994, concerning:

- (1) the number of additional probation officers needed;
- (2) the funding required to provide the necessary additional probation officers;
- (3) a recommended method of funding these new positions, including a recommendation concerning the relative county and state obligations;
- (4) recommendations as to appropriate standardized case definitions and reporting procedures to facilitate uniform reporting of the number and type of cases and offenders;
- (5) legislative changes needed to implement objectively defined case classification systems; and
- (6) any other general recommendations to improve the quality and administration of probation services in the state.

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, section 243.165, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 12, 13, and 14, are effective August 1, 1993, and apply to all defendants placed on probation on or after that date. Section 15, subdivision 1, is effective August 1, 1993, and applies to offenders sentenced on or after that date. Section 16 is effective the day following final enactment.

ARTICLE 6

NEW FELONY SENTENCING LAW

Section 1. Minnesota Statutes 1992, section 243.18, subdivision 2, is amended to read:

Subd. 2. [WORK REQUIRED; GOOD TIME.] This subdivision applies only to inmates sentenced before August 1, 1993. An inmate for whom a work assignment is available may not earn good time under subdivision 1 for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 2. Minnesota Statutes 1992, section 243.18, is amended by adding a subdivision to read:

Subd. 2a. [WORK REQUIRED; DISCIPLINARY CONFINEMENT.] This subdivision applies only to inmates sentenced on or after August 1, 1993. The commissioner shall impose a disciplinary confinement period of two days for each day on which a person for whom a work assignment is available does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 3. Minnesota Statutes 1992, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," as applied to inmates whose crimes were committed before August 1, 1993, is the period of time for which an inmate is committed to the custody of the commissioner of corrections minus earned good time. "Term of imprisonment," as applied to inmates whose crimes were committed on or after August 1, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1b equal to two-thirds of the inmate's executed sentence.

Sec. 4. Minnesota Statutes 1992, section 244.01, is amended by adding a subdivision to read:

Subd. 9. [EXECUTED SENTENCE.] "Executed sentence" means the total period of time for which an inmate is committed to the custody of the commissioner of corrections.

Sec. 5. Minnesota Statutes 1992, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. [SUPERVISED RELEASE; OFFENDERS WHO COMMIT CRIMES ON OR AFTER AUGUST 1, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment pronounced by the sentencing court under section 244.101 and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The amount of time the inmate serves on supervised release term shall be equal in length to the amount of time remaining in the inmate's imposed executed sentence after the inmate has served the pronounced term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By August 1, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure

shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 6. Minnesota Statutes 1992, section 244.101, is amended to read:

244.101 [SENTENCING OF FELONY OFFENDERS WHO COMMIT OFFENSES ON AND AFTER AUGUST 1, 1993.]

Subdivision 1. [~~SENTENCING AUTHORITY EXECUTED SENTENCES.~~] When a felony offender is sentenced to a fixed executed ~~prison~~ sentence for an offense committed on or after August 1, 1993, the *executed sentence pronounced by the court shall consist* consists of two parts: (1) a specified minimum term of imprisonment *that is equal to two-thirds of the executed sentence*; and (2) a specified maximum supervised release term that is ~~one-half of the minimum term of imprisonment equal to one-third of the executed sentence~~. The lengths of the term of imprisonment and the supervised release term actually served by an inmate are amount of time the inmate actually serves in prison and on supervised release is subject to the provisions of section 244.05, subdivision 1b.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces an *executed sentence* under this section, it shall ~~specify~~ explain: (1) the total length of the *executed sentence*; (2) the amount of time the defendant will serve in prison; and (3) the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that ~~may result~~ results in the imposition of a disciplinary confinement period. The court shall also explain that the ~~defendant's term of imprisonment~~ amount of time the defendant actually serves in prison may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire ~~pronounced~~ *executed sentence* in prison. The court's explanation shall be included in ~~the sentencing order~~ a written summary of the *sentence*.

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's ~~specification~~ *explanation* of the potential length of a defendant's supervised release term in the ~~sentencing order~~, the court's ~~order~~ *explanation* creates no right of a defendant to any specific, minimum length of a supervised release term.

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence ~~or term~~ of imprisonment, the statutory mandatory minimum sentence ~~or term~~ governs the length of the entire *executed sentence* pronounced by the court under this section.

Sec. 7. Minnesota Statutes 1992, section 244.14, subdivision 2, is amended to read:

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender serving a sentence on intensive community supervision *for a crime committed before August 1, 1993*, does not earn good time, notwithstanding section 244.04.

Sec. 8. Minnesota Statutes 1992, section 244.171, subdivision 3, is amended to read:

Subd. 3. [GOOD TIME NOT AVAILABLE.] An offender in the challenge incarceration program *whose crime was committed before August 1, 1993*,

does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1993, and apply to crimes committed on or after that date.

ARTICLE 7

MANDATORY CONDITIONAL RELEASE OF SEX OFFENDERS

Section 1. Minnesota Statutes 1992, section 609.346, subdivision 5, is amended to read:

Subd. 5. [~~SUPERVISED~~ *CONDITIONAL RELEASE OF SEX OFFENDERS.*] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, ~~any person who is sentenced when a court sentences a person to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years.~~ the court shall ~~sentence~~ *provide that after the person has completed the sentence imposed, the commissioner of corrections shall place the person on conditional release. If the person was convicted for a violation of section 609.342, 609.343, 609.344, or 609.345, the person shall be placed on conditional release for five years, minus the time the person served on supervised release. If the person was convicted for a violation of one of those sections a second or subsequent time, or sentenced under subdivision 4 to a mandatory departure, to serve a supervised release term of not less than the person shall be placed on conditional release for ten years, minus the time the person served on supervised release.*

(b) ~~The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the offender. The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the conditional release term expires.~~

Conditional release under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

(c) ~~The commissioner shall pay the cost of treatment of a person released under this subdivision. This section does not require the commissioner to accept or retain an offender in a treatment program.~~

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1993, and applies to crimes committed on or after that date.

ARTICLE 8
CORRECTIONS

Section 1. Minnesota Statutes 1992, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
- (4) ~~furniture~~ *products and services* from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 2. Minnesota Statutes 1992, section 147.09, is amended to read:

147.09 [EXEMPTIONS.]

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the state department of education, or by any public or private school, college, or other bona fide educational institution, or the state department of health, whose duties are entirely of a public health or educational character, while engaged in such duties.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of \$50 for the registration.

(13) *A psychologist licensed under section 148.91 or a social worker licensed under section 148B.21 who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.*

Sec. 3. Minnesota Statutes 1992, section 241.09, is amended to read:

241.09 [UNCLAIMED MONEY OR PERSONAL PROPERTY OF INMATES OF CORRECTIONAL FACILITIES.]

Subdivision 1. [MONEY.] When the chief executive officer of any state correctional facility under the jurisdiction of the commissioner of corrections obtains money belonging to inmates of the facility who have died, been released or escaped, and the chief executive officer knows no claimant or person entitled to it, the chief executive officer shall, if the money is unclaimed within ~~two years six months~~, deposit it in the inmate social welfare fund for the benefit of the inmates of the facility. No money shall be so deposited until it has remained unclaimed for at least ~~two years six months~~. If, at any time after the expiration of the ~~two years six months~~, the inmate or the legal heirs appear and make proper proof of identity or heirship, the inmate or heirs are entitled to receive from the state treasurer any money belonging to the inmate and deposited in the inmate social welfare fund pursuant to this subdivision.

Subd. 2. [UNCLAIMED PERSONAL PROPERTY.] When any inmate of a state correctional facility under the jurisdiction of the commissioner of corrections has died, been released or escaped therefrom leaving in the custody of the chief executive officer thereof personal property, other than money, which remains unclaimed for a period of ~~two years 90 days~~, and the chief executive officer knows no person entitled to it, the chief executive officer or the chief executive officer's agent may sell or otherwise dispose of the property in the manner provided by law for the sale or disposition of state property. The proceeds of any sale, after deduction of the costs shall be deposited in the inmate social welfare fund for expenditure as provided in subdivision 1. Any inmate whose property has been sold under this subdivision, or heirs of the inmate, may file with, and make proof of ownership to, the chief executive officer of the institution who caused the sale of the property within two years after the sale, and, upon satisfactory proof to the chief executive officer, the chief executive officer shall certify to the state treasurer the amount received by the sale of such property for payment to the inmate or heirs. No suit shall be brought for damages consequent to the disposal of personal property or use of money in accordance with this section against the state or any official, employee, or agent thereof.

Sec. 4. Minnesota Statutes 1992, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. Offenders who are eligible to receive treatment, within the limits of available funding, are:

- (1) adults and juveniles committed to the custody of the commissioner;
- (2) adult offenders for whom treatment is required by the court as a condition of probation; *and*
- (3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; *and*
- (4) ~~adults and juveniles who are eligible for community based treatment under the sex offender treatment fund established in section 241.671.~~

Sec. 5. Minnesota Statutes 1992, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities *and state-operated adult and juvenile sex offender treatment programs not operated in state or local correctional facilities*. The rules shall require that sex offender treatment programs be at least four months in duration. A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

~~(b) By July 1, 1994, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.~~

~~(c) In addition to other certification requirements established under paragraphs paragraph (a) and (b), rules adopted by the commissioner must require all certified programs certified under this subdivision to participate in an the sex offender program ongoing outcome-based evaluation and quality management system project established by the commissioner under section 3.~~

Sec. 6. Minnesota Statutes 1992, section 241.67, is amended by adding a subdivision to read:

Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION PROJECT.] (a) *For the purposes of this project, a sex offender is an adult who has been convicted, or a juvenile who has been adjudicated, for a sex offense or a sex-related offense and has been sentenced to sex offender treatment as a condition of probation.*

(b) *The commissioner shall develop a long-term project to accomplish the following:*

(1) *provide follow-up information on each sex offender for a period of three years following the offender's completion of or termination from treatment;*

(2) *provide treatment programs in several geographical areas in the state;*

(3) *provide the necessary data to form the basis to recommend a fiscally sound plan to provide a coordinated statewide system of effective sex offender treatment programming; and*

(4) *provide an opportunity to local and regional governments, agencies, and programs to establish models of sex offender programs that are suited to the needs of that region.*

(c) *The commissioner shall provide the legislature with an annual report of the data collected and the status of the project by October 15 of each year, beginning in 1993.*

(d) *The commissioner shall establish an advisory task force consisting of county probation officers from community corrections act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force concerning the establishment and operation of the project.*

Sec. 7. Minnesota Statutes 1992, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner may promulgate rules for the disbursement of funds earned under subdivision 1, or other funds in an inmate account, and section 243.88, subdivision 2, for the support of families and dependent relatives of the respective inmates, for the payment of court-ordered restitution, *finer, surcharges, or other fees assessed or ordered by the court*, contribution to any programs established by law to aid victims of crime provided that the contribution shall not be more than 20 percent of an inmate's gross wages, for the payment of restitution to the commissioner ordered by prison disciplinary hearing officers for damage to property caused by an inmate's conduct, and for the discharge of any legal obligations arising out of litigation under this subdivision. An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for the inmate's detention in a local detention facility convenient to the place of the hearing when the inmate is not engaged in preparation and defense.

Sec. 8. Minnesota Statutes 1992, section 244.05, is amended by adding a subdivision to read:

Subd. 8. [CONDITIONAL MEDICAL RELEASE.] *The commissioner may order that an offender be placed on conditional medical release before the offender's scheduled supervised release date or target release date if the offender suffers from a serious illness or chronic medical condition and the release poses no threat to the public. In making the decision to release an offender on this status, the commissioner must consider the offender's age and medical condition, the health care needs of the offender, the offender's custody classification and level of risk of violence, the appropriate level of community supervision, and alternative placements that may be available for the offender. An inmate may not be released under this provision unless the commissioner has determined that the inmate's health costs will be borne by medical assistance, Medicaid, general assistance medical care, veteran's benefits, or by any other federal or state medical assistance programs or by the inmate. Conditional medical release is governed by provisions relating to supervised release except that it may be rescinded without hearing by the commissioner if the offender's medical condition improves to the extent that the continuation of the conditional medical release presents a more serious risk to the public.*

Sec. 9. Minnesota Statutes 1992, section 244.17, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or *intentional* personal injury; and

(2) offenders who ~~previously~~ were convicted *within the preceding ten years* of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 10. Minnesota Statutes 1992, section 244.172, subdivision 1, is amended to read:

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. ~~For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances. Throughout phase I, the commissioner must severely restrict the offender's telephone and visitor privileges.~~

Sec. 11. Minnesota Statutes 1992, section 244.172, subdivision 2, is amended to read:

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive supervision and surveillance program established by the commissioner. The commissioner may impose such requirements on the offender as are necessary to carry out the goals of the program. *Throughout phase II, the offender must be required to submit to daily drug and alcohol tests for the first three months; biweekly tests for the next two months; and weekly tests for the remainder of phase II randomly or for cause, on demand of the supervising agent.* The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must ~~continue to~~ submit to acupuncture treatment throughout phase II, *on demand of the supervising agent.*

Sec. 12. Minnesota Statutes 1992, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a delinquency petition based on one or more of those sections, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court ~~may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider~~ *must be experienced in the evaluation and treatment of juvenile sex offenders*. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment. Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:

(1) medical data under section 13.42;

(2) corrections and detention data under section 13.85;

(3) health records under section 144.335;

(4) juvenile court records under section 260.161; and

(5) local welfare agency records under section 626.556.

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

If the child is found delinquent due to the commission of an offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 13. Minnesota Statutes 1992, section 541.15, is amended to read:

541.15 [PERIODS OF DISABILITY NOT COUNTED.]

(a) Except as provided in paragraph (b), any of the following grounds of disability, existing at the time when a cause of action accrued or arising anytime during the period of limitation, shall suspend the running of the period of limitation until the same is removed; provided that such period, except in the case of infancy, shall not be extended for more than five years, nor in any case for more than one year after the disability ceases:

(1) That the plaintiff is within the age of 18 years;

(2) The plaintiff's insanity;

(3) ~~The plaintiff's imprisonment on a criminal charge, or under a sentence of a criminal court for a term less than the plaintiff's natural life;~~

(4) Is an alien and the subject or citizen of a country at war with the United States;

~~(5)~~ (4) When the beginning of the action is stayed by injunction or by statutory prohibition.

If two or more disabilities shall coexist, the suspension shall continue until all are removed.

(b) In actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the ground of disability specified in paragraph (a), clause (1), suspends the period of limitation until the disability is removed. The suspension may not be extended for more than seven years, or for more than one year after the disability ceases.

For purposes of this paragraph, health care provider means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61,

subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Sec. 14. Minnesota Statutes 1992, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or transferred from one correctional facility to another when the correctional program involves less security to a minimum security setting, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change in security status to minimum security status.

Sec. 15. Minnesota Statutes 1992, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, felonious theft, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, or operating a machine gun or sawed-off shotgun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 16. Minnesota Statutes 1992, section 631.41, is amended to read:

631.41 [REQUIRING THE COURT ADMINISTRATOR TO DELIVER TRANSCRIPT OF MINUTES OF SENTENCE TO SHERIFF.]

When a person convicted of an offense is sentenced to pay a fine or costs; or to be imprisoned in the county jail, or sentenced to the Minnesota correctional facility ~~Stillwater~~ department of corrections, the court administrator shall, as soon as possible, make out and deliver to the sheriff or a deputy a transcript from the minutes of the court of the conviction and sentence. A duly certified transcript is sufficient authority for the sheriff to execute the sentence. Upon receiving the transcript, the sheriff shall execute the sentence.

Sec. 17. Laws 1991, chapter 292, article 1, section 16, is amended to read:

Sec. 16. The department of human rights may not be charged by the attorney general for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. *The department of*

corrections may not be charged by the attorney general for legal representation in civil actions brought by offenders alleging civil rights violations. This provision is effective retroactive to July 1, 1989, as to the department of human rights and retroactive to July 1, 1992, as to the department of corrections. The department of human rights does not have an obligation to pay for any services rendered by the attorney general since July 1, 1985, in excess of the amounts already paid for those services and the department of corrections does not have an obligation to pay for any services rendered since July 1, 1992, in excess of the amounts already paid for those services.

Sec. 18. [TRANSFER.]

Positions classified as sentencing to service crew leader and one sentencing to service supervisor in the department of natural resources are transferred to the Minnesota department of corrections under Minnesota Statutes, section 15.039. Nothing in this section is intended to abrogate or modify any rights now enjoyed by affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; and 241.671, are repealed.

ARTICLE 9

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1992, section 144A.04, subdivision 4, is amended to read:

Subd. 4. [CONTROLLING PERSON RESTRICTIONS.] (a) The controlling persons of a nursing home may not include any person who was a controlling person of another nursing home during any period of time in the previous two-year period:

(1) during which time of control that other nursing home incurred the following number of uncorrected or repeated violations:

(i) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(ii) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(2) who was convicted of a felony or gross misdemeanor punishable by a term of imprisonment of more than 90 days that relates to operation of the nursing home or directly affects resident safety or care, during that period.

(b) The provisions of this subdivision shall not apply to any controlling person who had no legal authority to affect or change decisions related to the operation of the nursing home which incurred the uncorrected violations.

Sec. 2. Minnesota Statutes 1992, section 144A.04, subdivision 6, is amended to read:

Subd. 6. [MANAGERIAL EMPLOYEE OR LICENSED ADMINISTRATOR; EMPLOYMENT PROHIBITIONS.] A nursing home may not employ

as a managerial employee or as its licensed administrator any person who was a managerial employee or the licensed administrator of another facility during any period of time in the previous two-year period:

(a) During which time of employment that other nursing home incurred the following number of uncorrected violations which were in the jurisdiction and control of the managerial employee or the administrator:

(1) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(2) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(b) who was convicted of a felony or gross misdemeanor punishable by a term of imprisonment of more than 90 days that relates to operation of the nursing home or directly affects resident safety or care, during that period.

Sec. 3. Minnesota Statutes 1992, section 144A.11, subdivision 3a, is amended to read:

Subd. 3a. [MANDATORY REVOCATION.] Notwithstanding the provisions of subdivision 3, the commissioner shall revoke a nursing home license if a controlling person is convicted of a felony or gross misdemeanor punishable by a term of imprisonment of more than 90 days that relates to operation of the nursing home or directly affects resident safety or care. The commissioner shall notify the nursing home 30 days in advance of the date of revocation.

Sec. 4. Minnesota Statutes 1992, section 144B.08, subdivision 3, is amended to read:

Subd. 3. [MANDATORY REVOCATION OR REFUSAL TO ISSUE A LICENSE.] Notwithstanding subdivision 2, the commissioner shall revoke or refuse to issue a residential care home license if the applicant, licensee, or manager of the licensed home is convicted of a felony or gross misdemeanor that is punishable by a term of imprisonment of not more than 90 days and that relates to operation of the residential care home or directly affects resident safety or care. The commissioner shall notify the residential care home 30 days before the date of revocation.

Sec. 5. Minnesota Statutes 1992, section 152.021, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than four years nor more than 40 years or to payment of a fine of not more than \$1,000,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 6. Minnesota Statutes 1992, section 152.022, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than three years nor more than 40 years or to payment of a fine of not more than \$500,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 7. Minnesota Statutes 1992, section 152.023, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$250,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than two years nor more than 30 years or to payment of a fine of not more than \$250,000, or both.

Sec. 8. Minnesota Statutes 1992, section 152.024, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$100,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections or to a local correctional authority for not less than one year nor more than 30 years or to payment of a fine of not more than \$100,000, or both.

Sec. 9. Minnesota Statutes 1992, section 152.025, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections or to a local correctional authority for not less than six months nor more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 10. Minnesota Statutes 1992, section 152.026, is amended to read:
152.026 [MANDATORY SENTENCES.]

A defendant convicted and sentenced to a mandatory sentence under sections 152.021 to 152.025 is not eligible for probation, parole, discharge, or supervised release until that person has served the full ~~mandatory minimum~~ term of imprisonment as provided by law, notwithstanding sections 242.19, 243.05, 609.12, and 609.135. *"Term of imprisonment"* has the meaning given in section 244.01, subdivision 8.

Sec. 11. Minnesota Statutes 1992, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum ~~term of imprisonment~~ sentence provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the department of public safety for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the department shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the department of public safety who shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 12. Minnesota Statutes 1992, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) If a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of a gross misdemeanor violation of this section, a violation of section 169.129, or an ordinance in conformity with either of them (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment or to eight hours of community work service for each day less

than 30 days that the person is ordered to serve in jail. Provided, that if a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them two or more times within five years after the first conviction, or within five years after the first of two or more license revocations, as defined in subdivision 3, paragraph (a), clause (2), the person must be sentenced to a minimum of 30 days imprisonment and the sentence may not be waived under paragraph (b) or (c). Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum ~~term of imprisonment~~ sentence established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without regard to the mandatory minimum ~~term of imprisonment~~ sentence established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) The court may sentence the defendant without regard to the mandatory minimum ~~term of imprisonment~~ sentence established by this subdivision if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

(e) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record.

Sec. 13. Minnesota Statutes 1992, section 238.16, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] Any person violating the provisions of this chapter is guilty of a gross misdemeanor. Any ~~term of imprisonment~~ sentence imposed for any violation by a corporation shall be served by the senior resident officer of the corporation.

Sec. 14. Minnesota Statutes 1992, section 244.065, is amended to read:

244.065 [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.]

When consistent with the public interest and the public safety, the commissioner of corrections may conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of the term of imprisonment as ~~reduced by good time earned by the inmate.~~

Sec. 15. Minnesota Statutes 1992, section 244.14, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community

supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

- (1) commits a material violation of or repeatedly fails to follow the rules of the program;
- (2) commits any misdemeanor, gross misdemeanor, or felony offense; or
- (3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's ~~original~~ term of imprisonment, but in no case for longer than the time remaining in the offender's sentence. "~~Original~~ Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 16. Minnesota Statutes 1992, section 244.15, subdivision 1, is amended to read:

Subdivision 1. [DURATION.] Phase I of an intensive community supervision program is six months, or one-half the time remaining in the offender's ~~original~~ term of imprisonment, whichever is less. Phase II lasts for at least one-third of the time remaining in the offender's ~~original~~ term of imprisonment at the beginning of Phase II. Phase III lasts for at least one-third of the time remaining in the offender's ~~original~~ term of imprisonment at the beginning of Phase III. Phase IV continues until the commissioner determines that the offender has successfully completed the program or until the offender's sentence, minus jail credit, expires, whichever occurs first. If an offender successfully completes the intensive community supervision program before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence.

Sec. 17. Minnesota Statutes 1992, section 244.171, subdivision 4, is amended to read:

Subd. 4. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration program if the offender:

- (1) commits a material violation of or repeatedly fails to follow the rules of the program;
- (2) commits any misdemeanor, gross misdemeanor, or felony offense; or
- (3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the challenge incarceration program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the challenge incarceration program shall be imprisoned for a time period equal to the offender's ~~original~~ term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "~~Original~~ Term of imprison-

ment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 18. Minnesota Statutes 1992, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

- (1) a description of each program for which funding is sought;
- (2) the amount of funding to be provided to the program;
- (3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment sentence greater than ten years.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is \$50,000.

Sec. 19. Minnesota Statutes 1992, section 609.0341, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Any law of this state which provides for a maximum fine of \$1,000 or for a maximum term sentence of imprisonment of one year or which is defined as a gross misdemeanor shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$3,000 and for a maximum term sentence of imprisonment of one year.

Sec. 20. Minnesota Statutes 1992, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 21. Minnesota Statutes 1992, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section 152.021, it must impose a fine of not less than \$2,500 nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

(d) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 22. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

Sec. 23. Minnesota Statutes 1992, section 609.11, is amended to read:

609.11 [MINIMUM ~~TERMS SENTENCES~~ OF IMPRISONMENT.]

Subdivision 1. [COMMITMENTS WITHOUT MINIMUMS.] All commitments to the commissioner of corrections for imprisonment of the defendant are without minimum terms except when the sentence is to life imprisonment as required by law and except as otherwise provided in this chapter.

Subd. 4. [DANGEROUS WEAPON.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a dangerous weapon other than a firearm, or had in possession a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than one year plus one day, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a dangerous weapon other than a firearm, or had in possession a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than three years nor more than the maximum sentence provided by law.

Subd. 5. [FIREARM.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than three years, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a firearm shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than five years, nor more than the maximum sentence provided by law.

Subd. 5a. [DRUG OFFENSES.] Notwithstanding section 609.035, whenever a defendant is subject to a mandatory minimum ~~term of imprisonment sentence~~ for a felony violation of chapter 152 and is also subject to this section, the ~~minimum term of imprisonment sentence~~ imposed under this section shall be consecutive to that imposed under chapter 152.

Subd. 6. [NO EARLY RELEASE.] Any defendant convicted and sentenced as required by this section is not eligible for probation, parole, discharge, or supervised release until that person has served the full ~~mandatory minimum~~

term of imprisonment as provided by law, notwithstanding the provisions of sections 242.19, 243.05, 244.04, 609.12 and 609.135.

Subd. 7. [PROSECUTOR SHALL ESTABLISH.] Whenever reasonable grounds exist to believe that the defendant or an accomplice used a firearm or other dangerous weapon or had in possession a firearm, at the time of commission of an offense listed in subdivision 9, the prosecutor shall, at the time of trial or at the plea of guilty, present on the record all evidence tending to establish that fact unless it is otherwise admitted on the record. The question of whether the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm shall be determined by the court on the record at the time of a verdict or finding of guilt at trial or the entry of a plea of guilty based upon the record of the trial or the plea of guilty. The court shall determine on the record at the time of sentencing whether the defendant has been convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm.

Subd. 8. [MOTION BY PROSECUTOR.] Prior to the time of sentencing, the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum ~~terms of imprisonment sentences~~ established by this section. The motion shall be accompanied by a statement on the record of the reasons for it. When presented with the motion and if it finds substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum ~~terms of imprisonment sentences~~ established by this section.

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which mandatory minimum sentences shall be served ~~before eligibility for probation, parole, or supervised release~~ as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree; aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; a felony violation of chapter 152; or any attempt to commit any of these offenses.

Sec. 24. Minnesota Statutes 1992, section 609.135, subdivision 1, is amended to read:

Subdivision 1. [TERMS AND CONDITIONS.] Except when a sentence of life imprisonment is required by law, or when a mandatory minimum ~~term of imprisonment sentence~~ is required by section 609.11, any court may stay imposition or execution of sentence and (a) may order intermediate sanctions without placing the defendant on probation, or (b) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them. For purposes of this subdivision, subdivision 6,

and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, and work in lieu of or to work off fines.

A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169.121.

Sec. 25. Minnesota Statutes 1992, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court shall sentence commit a person to a term of imprisonment of the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 26. Minnesota Statutes 1992, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TERMS SENTENCES; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively and all of the sentences are for misdemeanors, the total of the terms of imprisonment sentences shall not exceed one year. If all of the sentences are for gross misdemeanors, the total of the terms sentences shall not exceed three years.

Sec. 27. Minnesota Statutes 1992, section 609.152, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: section 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment sentence of 15 years or more.

Sec. 28. Minnesota Statutes 1992, section 609.196, is amended to read:

609.196 [MANDATORY PENALTY FOR CERTAIN MURDERERS.]

When a person is convicted of violating section 609.19 or 609.195, the court shall sentence the person to the statutory maximum term of imprisonment sentence for the offense if the person was previously convicted of a heinous crime as defined in section 609.184 and 15 years have not elapsed since the person was discharged from the sentence imposed for that conviction. The court may not stay the imposition or execution of the sentence, notwithstanding section 609.135.

Sec. 29. Minnesota Statutes 1992, section 609.229, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is three years longer than the statutory maximum for the underlying crime.

(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.

(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to a term of imprisonment of for not more than one year and a day or to payment of a fine of not more than \$5,000, or both.

Sec. 30. Minnesota Statutes 1992, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The

court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 31. Minnesota Statutes 1992, section 609.346, subdivision 2b, is amended to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) The court shall ~~sentence commit~~ a person to a ~~term of the commissioner of corrections for not less than 30 years~~, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition or execution of the sentence required by this subdivision.

Sec. 32. Minnesota Statutes 1992, section 609.3461, subdivision 2, is amended to read:

Subd. 2. [BEFORE RELEASE.] If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody of the commissioner of corrections for a ~~term of imprisonment~~, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Sec. 33. Minnesota Statutes 1992, section 609.582, subdivision 1a, is amended to read:

Subd. 1a. [MANDATORY MINIMUM SENTENCE FOR BURGLARY OF OCCUPIED DWELLING.] A person convicted of committing burglary of an occupied dwelling, as defined in subdivision 1, clause (a), must be committed to the commissioner of corrections or county workhouse for a ~~mandatory minimum term of imprisonment of not less than six months~~.

Sec. 34. Minnesota Statutes 1992, section 609.891, subdivision 2, is amended to read:

Subd. 2. [FELONY.] (a) A person who violates subdivision 1 in a manner that creates a grave risk of causing the death of a person is guilty of a felony and may be sentenced to a term of imprisonment ~~of~~ for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who is convicted of a second or subsequent gross misdemeanor violation of subdivision 1 is guilty of a felony and may be sentenced under paragraph (a).

Sec. 35. Minnesota Statutes 1992, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or transferred from one correctional facility to another when the correctional program involves less security, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change in security status.

Sec. 36. Minnesota Statutes 1992, section 629.291, subdivision 1, is amended to read:

Subdivision 1. [PETITION FOR TRANSFER.] The attorney general of the United States, or any of the attorney general's assistants, or the United States attorney for the district of Minnesota, or any of the United States attorney's assistants, may file a petition with the governor requesting the state of Minnesota to consent to transfer an inmate, serving a term of imprisonment sentence in a Minnesota correctional facility for violation of a Minnesota criminal law, to the United States district court for the purpose of being tried for violation of a federal criminal law. In order for a petition to be filed under this section, the inmate must at the time of the filing of the petition be under indictment in the United States district court for Minnesota for violation of a federal criminal law. The petition must name the inmate for whom transfer is requested and the Minnesota correctional facility in which the inmate is imprisoned. The petition must be verified and have a certified copy of the federal indictment attached to it. The petitioner must agree in the petition to pay all expenses incurred by the state in transferring the inmate to the United States court for trial.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 36 are effective August 1, 1993, and apply to crimes committed on or after that date.

ARTICLE 10

CRIMINAL AND JUVENILE JUSTICE INFORMATION

Section 1. Minnesota Statutes 1992, section 168.345, is amended by adding a subdivision to read:

Subd. 3. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.]
The commissioner shall impose a surcharge of 25 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning motor vehicle registrations. This surcharge only applies to a fee imposed in responding to a request made in person or to a telephone request for transmittal through a computer modem. The surcharge does not apply to the request of an individual for information concerning vehicles registered in that individual's name. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 2. Minnesota Statutes 1992, section 171.12, is amended by adding a subdivision to read:

Subd. 8. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.]
The commissioner shall impose a surcharge of 25 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning driver's license and Minnesota identification card applicants. This surcharge only applies to a fee imposed in responding to a request made in person or to a telephone request for transmittal through a computer modem. The surcharge does not apply to the request of an individual for information concerning that individual's driver's license or Minnesota identification card. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 3. [AMOUNT OF INCREASE; REVISOR INSTRUCTION.]

(a) The surcharges imposed by sections 1 and 2 are intended to increase to 50 cents the 25-cent surcharges imposed by similar language in a bill styled as 1993 H.F. No. 1709.

(b) If sections 1 and 2 and 1993 H.F. No. 1709 become law, the revisor shall change the amount of the surcharges as listed in Minnesota Statutes, sections 168.345 and 171.12 to 50 cents in each case.

ARTICLE 11

CRIME PREVENTION PROGRAMS

Section 1. [254A.18] [STATE CHEMICAL HEALTH INDEX MODEL.]

The commissioner of human services, in consultation with the chemical abuse prevention resource council, shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 2. Minnesota Statutes 1992, section 256.486, is amended to read:

256.486 [ASIAN ASIAN-AMERICAN JUVENILE CRIME INTERVENTION AND PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] The commissioner of human services shall establish a grant program for coordinated, family-based crime *intervention and prevention* services for ~~Asian~~ *Asian-American* youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.

Subd. 2. [GRANT RECIPIENTS.] The commissioner shall award grants in amounts up to \$150,000 to agencies based in the ~~Asian~~ *Asian-American* community that have experience providing coordinated, family-based community services to ~~Asian~~ *Asian-American* youth and families.

Subd. 3. [PROJECT DESIGN.] Projects eligible for grants under this section must provide coordinated crime *intervention*, prevention, and educational services that include:

(1) education for ~~Asian~~ *Asian-American* parents, including parenting methods in the United States and information about the United States legal and educational systems;

(2) crime *intervention and prevention* programs for ~~Asian~~ *Asian-American* youth, including employment and career-related programs and guidance and counseling services;

(3) family-based services, including support networks, language classes, programs to promote parent-child communication, access to education and career resources, and conferences for ~~Asian~~ *Asian-American* children and parents;

(4) coordination with public and private agencies to improve communication between the ~~Asian~~ *Asian-American* community and the community at large; and

(5) hiring staff to implement the services in clauses (1) to (4).

Subd. 4. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] Grant money awarded under this section may be used to satisfy any state or local match requirement that must be satisfied in order to receive federal funds.

Subd. 5. [ANNUAL REPORT.] Grant recipients must report to the commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in reducing crime among ~~Asian~~ *Asian-American* youth.

Sec. 3. Minnesota Statutes 1992, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the chemical abuse prevention resource council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs; and

(4) *community-based programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and encourage school dropouts to return to school; and*

(5) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Sec. 4. Minnesota Statutes 1992, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years; and

(5) *the number of economically disadvantaged youth in the geographic areas to be served by the program.*

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), *to programs in geographical areas that have the largest concentrations of economically disadvantaged youth, and to programs that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is \$50,000.*

Sec. 5. Minnesota Statutes 1992, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$110.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$110.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$5 \$11.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 6. Minnesota Statutes 1992, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of 20 percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

- (1) for a person charged with a felony, \$25;
- (2) for a person charged with a gross misdemeanor, \$15;
- (3) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, \$10; and
- (4) for a person charged with a local ordinance violation other than a parking or traffic violation, \$5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(c) The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family.

(d) If the court fails to waive or impose an assessment required by paragraph (a), the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) (d) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessments or surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) (e) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 7. Minnesota Statutes 1992, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345; it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 8. Minnesota Statutes 1992, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section sections 152.021 to 152.025, it must impose a fine of not less than ~~\$2,500~~ 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it

must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(d) (c) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) (d) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) (e) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

- (B) provisions for parental involvement;
- (C) classroom instruction by uniformed law enforcement personnel;
- (D) the use of positive student leaders to influence younger students not to use drugs; and
- (E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 9. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than ~~20~~ 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than ~~20~~ 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

~~The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.~~

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

The court shall collect the fines mandated in this subdivision and, except for fines for traffic and motor vehicle violations governed by section 169.871 and section 299D.03 and fish and game violations governed by section 97A.065, forward 20 percent of the revenues to the state treasurer for deposit in the general fund.

Sec. 10. Minnesota Statutes 1992, section 609.101, is amended by adding a subdivision to read:

Subd. 5. [WAIVER PROHIBITED; INSTALLMENT PAYMENTS.] *The court may not waive payment of the minimum fine, surcharge, or assessment required by this section. The court may reduce the amount of the minimum fine, surcharge, or assessment if the court makes written findings on the record that the convicted person is indigent or that immediate payment of the fine, surcharge, or assessment would create undue hardship for the convicted person or that person's immediate family. The court may authorize payment of the fine, surcharge, or assessment in installments.*

Sec. 11. Laws 1992, chapter 571, article 16, section 4, is amended to read:

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS FOR PROFESSIONAL EDUCATION ABOUT VIOLENCE AND ABUSE.]

(a) The higher education coordinating board may award grants to "eligible

institutions" as defined in Minnesota Statutes, section 136A.101, subdivision 4, to provide multidisciplinary ~~training~~ programs that provide training about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

(b) The programs ~~shall be multidisciplinary and include~~ *must be designed to prepare students to be teachers, child protection workers school administrators, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all or other education, human services, mental health, and health care professionals who work with adult and child victims and perpetrators of violence and abuse.*

Sec. 12. [HIGHER EDUCATION GRANTS FOR COLLABORATION AMONG HUMAN SERVICES PROFESSIONALS.]

Subdivision 1. [GRANTS.] The higher education coordinating board shall award grants to public post-secondary institutions to develop professional skills for interdisciplinary collaboration in providing health care, human services, and education.

Subd. 2. [PROGRAMS AND ACTIVITIES.] Grants shall support the following programs and activities:

(1) on-campus, off-campus, and multicampus collaboration in training professionals who work with adults and children to enable higher education students to be knowledgeable about the roles and expertise of different professions serving the same clients;

(2) programs to teach professional education students how health and other human services and education can be restructured to coordinate programs for efficiency and better results;

(3) faculty discussion and assessment of methods to provide professionals with the skills needed to collaborate with staff from other disciplines; and

(4) community outreach and leadership activities to reduce fragmentation among public agencies and private organizations serving individuals and families.

Sec. 13. [HIGHER EDUCATION CENTER ON VIOLENCE AND ABUSE.]

Subdivision 1. [CREATION AND DESIGNATION.] The higher education center on violence and abuse is created. The higher education center on violence and abuse shall be located at and managed by a public or private post-secondary institution in Minnesota. The higher education coordinating board shall designate the location of the center following review of proposals from potential higher education sponsors.

Subd. 2. [ADVISORY COMMITTEE.] The higher education coordinating board shall convene an advisory committee to develop specifications for the higher education center and review proposals from higher education institutions. The advisory committee shall include representatives who are students

in professional programs, other students, student affairs professionals, professional education faculty, and practicing professionals in the community who are involved with problems of violence and abuse.

Subd. 3. [DUTIES.] The higher education center on violence and abuse shall:

(1) serve as a clearinghouse of information on curriculum models and other resources for professional education and for education of faculty, students, and staff about violence and harassment required under Laws 1992, chapter 571, article 16, section 1;

(2) sponsor conferences and research to assist higher education institutions in developing curricula about violence and abuse;

(3) fund pilot projects to stimulate multidisciplinary curricula about violence and abuse; and

(4) coordinate policies to ensure that professions and occupations with responsibilities toward victims and offenders have the knowledge and skills needed to prevent and respond appropriately to the problems of violence and abuse.

Subd. 4. [PROFESSIONAL EDUCATION AND LICENSURE.] By March 15, 1994, the center shall convene task forces for professions that work with victims and perpetrators of violence. Task forces must be formed for the following professions: teachers, school administrators, guidance counselors, law enforcement officers, lawyers, physicians, nurses, psychologists, and social workers. Each task force must include representatives of the licensing agency, higher education systems offering programs in the profession, appropriate professional associations, students or recent graduates, representatives of communities served by the profession, and employers or experienced professionals. The center must establish guidelines for the work of the task forces. Each task force must review current programs, licensing regulations and examinations, and accreditation standards to identify specific needs and plans for ensuring that professionals are adequately prepared and updated on violence and abuse issues.

Subd. 5. [PROGRESS REPORT.] The center shall provide a progress report to the legislature by March 15, 1994.

Sec. 14. [INSTITUTE FOR CHILD AND ADOLESCENT SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] The interdisciplinary committee established in Laws 1992, chapter 571, article 1, section 28, shall continue planning for an institute for child and adolescent sexual health.

Subd. 2. [SPECIFIC RECOMMENDATIONS.] (a) The committee shall develop specific recommendations regarding the structure, funding, staffing and staff qualifications, siting, and affiliations of the institute, and a detailed plan for long-term funding of the institute which shall not be a state program.

(b) The committee shall also clearly document and describe the following:

(1) the problems to be addressed by the institute, including statistical data on the extent of these problems;

(2) strategies already available in the professional literature to address these problems;

(3) information on which of these strategies have been implemented in Minnesota, including data on the availability and effectiveness of these strategies and gaps in the availability of these strategies;

(4) the rationale for the recommended design of the institute; and

(5) the mission of the institute, including a code of ethics for conducting research.

Subd. 3. [REPORT.] The commissioner of health shall submit a report to the legislature by January 1, 1994, based on the recommendations of the committee.

Sec. 15. [SURVEY OF INMATES.]

Subdivision 1. [SURVEY REQUIRED.] The commissioner of corrections shall conduct a survey of inmates in the state correctional system who have been committed to the custody of the commissioner for a period of more than one year's incarceration. The survey may be conducted by an outside party. In surveying the inmates, the commissioner shall take steps to ensure that the confidentiality of responses is strictly maintained. The survey shall compile information about each inmate concerning, but not limited to, the following:

- (1) offense for which currently incarcerated;
- (2) sex of inmate, place of birth, date of birth, and age of mother at birth;
- (3) major caretaker during preschool years, marital status of family, and presence of male in household during childhood;
- (4) number of siblings;
- (5) attitude toward school, truancy history, and school suspension history;
- (6) involvement of sibling or parent in criminal justice system;
- (7) age of inmate's first involvement in criminal justice system, the type of offense or charge, the response of criminal justice system, and the type of treatment or punishment, if any;
- (8) nature of discipline used in home;
- (9) placement in foster care or adoption;
- (10) childhood traumas;
- (11) most influential adult in life;
- (12) chemical abuse problems among adults in household while a child;
- (13) inmate's chemical history, and if a problem of chemical abuse exists, the age of its onset;
- (14) city, suburb, small town, or rural environment during childhood and state or states of residence before the age of 18;
- (15) number of times family moved during school years;
- (16) involvement with school or community activities;

- (17) greatest problem as a child;
 (18) greatest success as a child; and
 (19) physical or sexual abuse as a child.

Subd. 2. [REPORT.] By January 1, 1994, the commissioner shall compile the results of the survey and report them to the chairs of the senate committee on crime prevention and the house committee on judiciary. Information concerning the identity of individual inmates shall not be reported.

Sec. 16. Laws 1991, chapter 279, section 41, is amended to read:

Sec. 41. [REPEALERS.]

(a) Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4, are repealed.

(b) ~~Minnesota Statutes 1990, section 609.101, subdivision 3, is repealed effective July 1, 1993.~~

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, section 299A.325, is repealed.

ARTICLE 12

ORGANIZATIONAL CHANGES

Section 1. [DEPARTMENT OF PUBLIC SAFETY; TRANSFER OF POSITIONS AND RESPONSIBILITIES.]

Subdivision 1. [TRANSFERS.] The responsibilities of and positions in the department of public safety listed in this section are abolished or transferred as provided in this section. A transfer under this section must be carried out in accordance with Minnesota Statutes, section 15.039.

Subd. 2. [POSITIONS AND RESPONSIBILITIES ABOLISHED.] (a) The position of assistant commissioner, prevention and public education, is abolished. The liquor control division and all positions in the division except those transferred under subdivision 3 are abolished.

(b) After the day of final enactment of this article, the department of public safety may not fill any position listed in paragraph (a) that is vacant or becomes vacant. This paragraph is effective the day following final enactment.

Subd. 3. [DEPARTMENT OF COMMERCE.] The responsibilities of the liquor control division relating to liquor licensing and the responsibilities relating to enforcement, including the position of director of the division and the positions of five field agents responsible for enforcement, are transferred to the department of commerce.

Subd. 4. [ATTORNEY GENERAL.] The responsibilities of the following units are transferred to the office of the attorney general:

- (1) the office of drug policy, including seven positions; and
 (2) the gambling enforcement division, including 19 positions.

Subd. 5. [DEPARTMENT OF CORRECTIONS.] The responsibilities of the following units, including nine positions, are transferred to the department of corrections:

- (1) the crime victim and witness advisory council; and
- (2) the crime victims reparation board.

Subd. 6. [BUREAU OF CRIMINAL APPREHENSION.] The responsibilities of the bureau of criminal apprehension, including 192 positions, are transferred to the bureau of criminal apprehension established by section 8.

Sec. 2. Minnesota Statutes 1992, section 270.73, subdivision 1, is amended to read:

Subdivision 1. [POSTING, NOTICE.] Pursuant to the authority to disclose under section 270B.12, subdivision 4, The commissioner shall, by the 15th of each month, submit to the commissioner of public safety commerce a list of all taxpayers who are required to withhold or collect the tax imposed by section 290.92 or 297A.02, or local sales and use tax payable to the commissioner of revenue, or a local option tax administered and collected by the commissioner of revenue, and who are 30 days or more delinquent in either filing a tax return or paying the tax.

The commissioner of revenue is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the commissioner of public safety commerce, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety commerce shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will must prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety commerce within two business days that the delinquency was cured.

Sec. 3. Minnesota Statutes 1992, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; FAILURE TO PAY.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. The commissioner may certify to the commissioner of public safety commerce any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

A person liable for an excise tax of \$240,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 4. Minnesota Statutes 1992, section 297C.12, is amended to read:

297C.12 [UNTAXED LIQUOR; SEIZURE.]

Subdivision 1. [POSSESSION.] No person may without authority possess distilled spirits and wine on which no tax has been paid to a state or to a foreign government. No person may without authority possess, with intent to resell, malt liquor on which no tax has been paid to a state or to a foreign government. The commissioner of ~~public safety~~ *commerce* or the commissioner of revenue, or their designated employees may seize in the name of the state untaxed liquor possessed, held, sold, or transported in violation of this subdivision, and any apparatus, material, vehicle, or conveyance used in the manufacture, possession, sale, storage, or transportation of illegal untaxed liquor.

Subd. 2. [SEIZURE OF CONVEYANCES.] The commissioner of ~~public safety~~ *commerce* and employees designated by the commissioner may seize all vehicles and conveyances used in the manufacture, sale, possession, storage, or transportation of liquor in violation of this chapter, and hold them subject to the order of the district court of the county in which they are seized. The forfeiture of a vehicle or conveyance seized is complete on compliance with the following procedure:

The commissioner of ~~public safety~~ *commerce* and inspectors and employees designated by the commissioner shall file with the court a separate complaint against the vehicle or conveyance, describing it and charging its use in the specified violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served on the defendant or person in charge of the vehicle or conveyance at the time of seizure, if any. The court shall issue an order directed to any person known or believed to have a right, title or interest in, or lien on the vehicle or conveyance, and to persons unknown claiming a right, title, interest, or lien:

(1) describing the vehicle or conveyance and stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court;

(2) requiring such persons to file with the court administrator of the court their answer to the complaint, setting forth any claim they may have to a right or title to, interest in, or lien on the vehicle or conveyance, within ten days after the service of the order;

(3) notifying them in substance that if they fail to file their answer within that time the vehicle or conveyance will be ordered sold by the commissioner *of commerce*:

The court shall cause the order to be served on:

(1) the registered owner;

(2) any person who has duly filed a conditional sales contract, mortgage, or other lien instrument covering the property unless it has been released or satisfied;

(3) any other person known or believed to have a right, title, interest in, or lien upon, the vehicle or conveyance as in the case of a summons in a civil action; and

(4) on unknown persons by publication, as provided for service of summons in a civil action.

If no answer is filed within the time prescribed, the court shall, on affidavit by the court administrator of the court, setting forth such fact, order the vehicle or conveyance sold by the commissioner or the commissioner's agents, and the proceeds of the sale, after deducting the expense of keeping the vehicle or conveyance and fees and costs of sale, paid into the state treasury. If an answer is filed within the time provided, the court shall fix a time for hearing, which shall be not less than ten nor more than 30 days after the time for filing the answer expires. At the hearing the matter must be heard and determined by the court, without a jury, as in other civil actions. If the court finds that the vehicle or conveyance, or any part thereof, was used in a violation as specified in the complaint, it shall order the vehicle or conveyance sold, as provided in this section, unless the owner shows to the satisfaction of the court that the vehicle was being used without the owner's consent or that at the time of giving the consent the owner had no notice or knowledge or reason to believe that the vehicle or conveyance was intended to be used in a violation.

After deducting the expense of keeping the vehicle or conveyance, the fee for seizure, and the costs of the sale, the officer making the sale shall pay, according to their priority, all liens established at the hearing as being bona fide and existing without the lienor having any notice or knowledge at the time the lien was created that the vehicle or conveyance was being used or was intended to be used in connection with any violation as specified in the order of the court, and shall pay the balance of the proceeds into the state treasury. A sale under the provisions of this section frees the vehicle or conveyance sold from all liens, and appeal from order of the district court lies to the supreme court as in other civil actions. At any time after seizure and before the hearing the vehicle or conveyance must be returned to the owner or person having a legal right to its possession on execution by that person of a valid bond to the state of Minnesota, with corporate surety, in the sum of not less than \$100 and not more than double the value of the vehicle or conveyance seized, to be approved by the court in which the case is triable, or a judge thereof, conditioned on obeying any order and the judgment of the court, and to pay the full value of the vehicle or conveyance at the time of seizure.

Sec. 5. Minnesota Statutes 1992, section 297C.13, subdivision 1, is amended to read:

Subdivision 1. [FELONIES.] It is a felony for a holder of an alcoholic beverage license to:

(1) evade or attempt to evade the excise tax on intoxicating liquor and 3.2 percent malt liquor;

(2) fraudulently neglect or fail to keep complete accounts in book or books of account, or to make true and exact entries in them as required by the rules of the commissioner of ~~public safety~~ *commerce* and the commissioner of revenue, or by law;

(3) conspire to violate a provision of this chapter;

(4) fail to do or cause to be done anything required by law;

(5) refill or cause to be refilled a bottle or other container of intoxicating liquor in order to evade tax; or

(6) sell intoxicating liquor or 3.2 percent malt liquor on which the excise tax has not been paid and thereby evade the tax.

Sec. 6. Minnesota Statutes 1992, section 299A.02, is amended to read:

299A.02 [COMMISSIONERS OF PUBLIC SAFETY COMMERCE AND REVENUE; LIQUOR CONTROL FUNCTIONS.]

Subdivision 1. [DIRECTOR OF DIVISION OF LIQUOR CONTROL CONFLICT OF INTEREST.] No employee of the department of public safety commerce or the department of revenue having any responsibility for the administration or enforcement of ~~Laws 1985, chapter 305, articles 2 to 11~~ shall ~~this section and chapters 297C and 340A~~ may have a direct or indirect interest, except through ownership or investment in pension or mutual funds, in the manufacture, transportation or sale of intoxicating liquor or any malt or vinous beverages, intoxicating, nonintoxicating, or commercial or industrial alcohol. The commissioner of public safety commerce or the commissioner of revenue may remove an employee in the unclassified civil service for any intentional violation of any provision in ~~Laws 1985, chapter 305, articles 2 to 11~~ this section and chapters 297C and 340A. Intentional violation of the preceding sections by a classified employee of one of the departments may be grounds for removal of that employee pursuant to under section 43A.33.

Subd. 2. [GENERAL POWERS.] The commissioner shall administer and enforce the provisions of ~~Laws 1985, chapter 305, articles 2 to 11~~ this section and chapters 297C and 340A, except for those provisions thereof of those chapters for which administration and enforcement are reserved to the commissioner of revenue.

Subd. 3. [REPORTS; RULES.] The commissioner shall have power to of commerce may require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of ~~Laws 1985, chapter 305, articles 2 to 11~~ this section and chapters 297C and 340A. The rules shall must include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale. No rule may require the use of new containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of 2-1/2 percent by weight of sugar or dextrose or both.

Subd. 4. [SUBPOENAS.] In all matters relating to official duties, the commissioner shall have of commerce has the powers possessed by courts of law to issue subpoenas and cause them to be served and enforced. All public officials, and their respective deputies and employees, and all individuals, partnerships, firms, corporations, incorporated and unincorporated associations, and others who manufacture, transport, or sell intoxicating liquor, or are connected therewith with those activities in any manner, shall at all times attend and answer under oath the commissioner's lawful inquiries, produce and exhibit such books, accounts, documents and property as the commissioner may desire to inspect, and in all things aid the commissioner in the performance of the commissioner's duties.

Sec. 7. Minnesota Statutes 1992, section 299A.30, subdivision 1, is amended to read:

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER DIRECTOR.] The office of drug policy and violence prevention is an office a unit in the

~~department of public safety office of the attorney general headed by an assistant commissioner a director appointed by the commissioner attorney general to serve in the unclassified service. The assistant commissioner director may appoint other employees. The assistant commissioner director shall coordinate the violence prevention activities and the prevention and supply reduction activities of state and local agencies and provide one professional staff member to assist on a full-time basis the work of the chemical abuse prevention resource council.~~

Sec. 8. [299C.02] [BUREAU OF CRIMINAL APPREHENSION.]

The bureau of criminal apprehension is an agency in the executive branch of state government headed by a superintendent appointed by the governor with the advice and consent of the senate. The superintendent may not appoint a deputy, assistant, or other person with a similar title and responsibilities. The bureau, at the direction of the superintendent, shall perform functions and duties relating to statewide and nationwide crime information systems.

Sec. 9. [INSTRUCTION TO REVISOR.]

Subdivision 1. [DEPARTMENT OF CORRECTIONS.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of corrections" (or "commissioner" when referring to commissioner of corrections), "department of corrections" (or "department" when referring to the department of corrections), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 611A.02; 611A.0311; 611A.07; 611A.55; 611A.56; 611A.71; 611A.74; 611A.75; and 611A.76.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 2. [BUREAU OF CRIMINAL APPREHENSION.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "superintendent of the bureau of criminal apprehension" (or "superintendent" when referring to the superintendent of the bureau of criminal apprehension), "bureau of criminal apprehension" (or "bureau" when referring to the bureau of criminal apprehension), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 123.75; 123.751; 169.123, subdivision 3; 176.192; 242.31; 243.166; 270.062; 299A.28; 299A.33; 299A.38; 299C.46; 299C.48; 299C.52; 299C.53; 299C.54; 299C.55; 477A.0121; 604.09; 624.7131; 624.714; 624.7161; 626.553; 626.5532; and 634.15.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 3. [OFFICE OF ATTORNEY GENERAL.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department"

when referring to the department of public safety), or similar terms to "attorney general" or "office of the attorney general," or similar terms, as appropriate and consistent with this act; where they appear in Minnesota Statutes 1992, sections 10A.01; 299A.30, subdivision 2; 299A.34; 299L.01, subdivision 2; 299L.03; 299L.07; 349.162; 349.163; and 349.19.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 4. [DEPARTMENT OF COMMERCE.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of commerce" (or "commissioner" when referring to the commissioner of commerce), "department of commerce" (or "department" when referring to the department of commerce), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 85.34; 297C.09; 340A.101; 340A.301 to 340A.909; 383C.28; and 383C.29.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

(c) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall renumber the section of Minnesota Statutes specified in Column A with the number set forth in Column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A
299A.02

Column B
340A.202

Subd. 5. [CONFORMING AMENDMENTS.] The revisor of statutes shall make other necessary conforming amendments in Minnesota Statutes 1993 Supplement.

Sec. 10. [REPEALER.]

Minnesota Statutes 1992, section 299C.01, is repealed.

ARTICLE 13

APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$10,325,000 is appropriated from the general fund to the agencies and for the purposes indicated in this article, to be available for the fiscal year ending June 30 in the years indicated.

1994

1995

Sec. 2. DEPARTMENT OF EDUCATION

For violence prevention education grants under Minnesota Statutes, section 126.78.

1,500,000

1,500,000

Sec. 3. HIGHER EDUCATION COORDINATING BOARD

For purposes of article 11, sections 7 to 10.

200,000 200,000

Sec. 4. DARE ADVISORY COUNCIL

For drug abuse resistance education programs under Minnesota Statutes, section 299A.331.

190,000 190,000

Sec. 5. DEPARTMENT OF PUBLIC SAFETY

1,307,000 1,176,000

(a) For community crime reduction grants under Minnesota Statutes, section 299A.35. A minimum of two-thirds of this appropriation must be used for grants to programs qualifying under Minnesota Statutes, section 299A.35, subdivision 1, clauses (2) and (4).

600,000 600,000

(b) For the costs of providing training on and auditing of the BCA's criminal justice information systems reporting requirements.

100,000 100,000

(c) For the costs of providing training on and auditing of the criminal justice data communications network criminal justice information systems reporting requirements.

100,000 100,000

Sec. 6. DEPARTMENT OF HUMAN SERVICES

For the Asian juvenile crime prevention grant program authorized by Minnesota Statutes, section 256.486.

500,000 500,000

Sec. 7. DEPARTMENT OF HEALTH

For the planning process for an institute for child and adolescent sexual health.

65,000 -0-

Sec. 8. DEPARTMENT OF CORRECTIONS

1,250,000 1,350,000

(a) For the survey of inmates required by article 11, section 13.

25,000 -0-

(b) For the sex offender programming project required by article 8, section 6, to be available until June 30, 1995.

1,175,000 1,300,000

(c) For the costs of providing training on and auditing of criminal justice information systems reporting requirements.

50,000 50,000

Sec. 9. SUPREME COURT	150,000	147,000
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For the costs of providing training on and auditing of criminal justice information systems reporting requirements.	100,000	100,000
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Sec. 10. SENTENCING GUIDELINES COMMISSION

For the costs of providing training on and auditing of criminal justice information systems reporting requirements.	50,000	50,000''
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Delete the title and insert:

“A bill for an act relating to crime; prohibiting drive-by shootings, possession of dangerous weapons and trespassing on school property, negligent storage of firearms, and reckless discharge of firearms; providing for forfeiture of vehicles used in drive-by shootings and prostitution; authorizing the adoption of zoning ordinances governing the location of firearms dealers; providing for access to juvenile court records; increasing penalty for repeat violations of pistol permit law; extending wiretap warrant period; providing for sentence of life without release for first-degree murder of a peace officer; making terminology changes and technical corrections related to new felony sentencing law; expanding scope of sex offender registration and DNA specimen provisions; requiring certain counties to establish diversion programs; prohibiting possession of a device for converting a firearm to fire at the rate of a machine gun; prohibiting carrying rifles and shotguns in public; transferring certain functions and positions from the department of public safety to the office of attorney general, the departments of commerce and corrections, and the bureau of criminal apprehension; appropriating money; amending Minnesota Statutes 1992, sections 16B.08, subdivision 7; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 147.09; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 168.345, by adding a subdivision; 169.121, subdivision 3a; 169.222, subdivision 6, and by adding a subdivision; 169.64, subdivision 3; 169.98, subdivision 1a; 171.12, by adding a subdivision; 238.16, subdivision 2; 241.09; 241.67, subdivisions 1, 2, and by adding a subdivision; 243.166, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; 243.18, subdivision 2, and by adding a subdivision; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 256.486; 260.161, subdivisions 1 and 3; 260.185, subdivision 1; 270.73, subdivision 1; 289A.63, by adding a subdivision; 297B.10; 297C.03, subdivision 1; 297C.12; 297C.13, subdivision 1; 299A.02; 299A.30, subdivision 1; 299A.35, subdivisions 1 and 2; 299C.46, by adding a subdivision; 299C.54, by adding a subdivision; 299D.06; 357.021, subdivision 2; 388.23, subdivision 1; 401.02, subdivision 4; 471.633; 480.0591, subdivision 6; 541.15; 609.0341, subdivision 1; 609.035; 609.06; 609.101, subdivisions 1, 2, 3, 4, and by adding a subdivision; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.184, subdivision 2; 609.196; 609.229, subdivision 3; 609.251; 609.346, subdivisions 2, 2b, and 5; 609.3461, subdivision

2; 609.531; 609.5311, subdivision 3; 609.5312, subdivision 2; 609.5314, subdivisions 1 and 3; 609.5315, subdivisions 1, 2, and 4; 609.582, subdivision 1a; 609.585; 609.605, by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.713, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 611A.06, subdivision 1; 611A.19, subdivision 1; 624.711; 624.712, subdivisions 5 and 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 624.714, subdivision 1; 626.05, subdivision 2; 626A.06, subdivisions 4 and 5; 629.291, subdivision 1; 631.41; Laws 1991, chapter 279, section 41; Laws 1991, chapter 292, article 1, section 16; and Laws 1992, chapter 571, article 16, section 4; proposing coding for new law in Minnesota Statutes, chapters 254A; 299C; 401; 609; and 624; repealing Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; 241.671; 243.165; 299A.325 and 299C.01."

And when so amended the bill do pass. Mr. McGowan questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Samuelson, Berg, Dille and Benson, D.D. introduced—

S.F. No. 1627: A bill for an act relating to gambling; proposing a constitutional amendment to prohibit all forms of gambling; directing the revisor to prepare conforming legislation; amending Minnesota Statutes 1992, section 609.75, subdivision 3.

Referred to the Committee on Gaming Regulation.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1315: Mr. Betzold, Mrs. Benson, J.E. and Mr. Finn.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Messrs. Riveness and Pogemiller were excused from the Session of today from 8:30 to 9:00 a.m. Mses. Pappas and Krentz were excused from the Session of today from 8:30 to 9:20 a.m. Mr. Kelly was excused from the Session of today from 8:30 to 9:15 a.m. Messrs. Morse and Novak were

excused from the Session of today from 8:30 to 9:45 a.m. Mr. Hottinger was excused from the Session of today from 8:30 to 9:10 a.m. Ms. Reichgott was excused from the Session of today from 8:30 to 10:15 a.m. Mr. Belanger was excused from the Session of today from 8:30 to 9:53 a.m. Messrs. Laidig and Mondale were excused from the Session of today from 8:30 to 10:30 a.m. Mr. Janezich was excused from the Session of today from 8:30 to 11:30 a.m. Mr. Johnson, D.J. was excused from the Session of today from 8:30 a.m. to 1:00 p.m. and at 1:30 p.m. Mr. Murphy was excused from the Session of today from 10:10 to 10:35 a.m. Mr. Solon was excused from the Session of today from 12:00 noon to 1:30 p.m. Mr. Beckman was excused from the Session of today from 2:00 to 2:15 p.m. Mr. Berg was excused from the Session of today at 2:20 p.m.

ADJOURNMENT

Mr. Moc, R.D. moved that the Senate do now adjourn until 8:30 a.m., Thursday, May 6, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SECOND DAY

St. Paul, Minnesota, Thursday, May 6, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John Dumke.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 14, 1993

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Paul Toren, 805 Park Ave., Mahtomedi, Washington County, has been appointed by me, effective April 19, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Environment and Natural Resources.)

Warmest regards,
Arne H. Carlson, Governor

May 5, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	783	72	1:55 p.m. May 4	May 4
	576	80	2:57 p.m. May 4	May 4

Sincerely,
Joan Anderson Grove
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1199, 645, 952 and 1158.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1993

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. 911: A bill for an act relating to public employment; essential employees; requiring the commissioner of the bureau of mediation services to designate separate units for peace officers and other essential employees at the

request of either group of employees; amending Minnesota Statutes 1992, section 179A.09, by adding a subdivision.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1993

CONCURRENCE AND REPASSAGE

Mr. Metzen moved that the Senate concur in the amendments by the House to S.F. No. 911 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 911 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Moe, R.D.	Runbeck
Anderson	Dille	Kiscaden	Murphy	Sams
Belanger	Finn	Knutson	Oliver	Solon
Benson, D.D.	Flynn	Kroening	Pariseau	Spear
Benson, J.E.	Frederickson	Langseth	Piper	Stevens
Berg	Hanson	Larson	Price	Stumpf
Bertram	Hottinger	Luther	Ranum	Terwilliger
Betzold	Johnson, D.E.	Marty	Reichgott	Vickerman
Chandler	Johnson, J.B.	McGowan	Riveness	
Chmielewski	Johnston	Metzen	Robertson	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 181: A bill for an act relating to limited liability companies; clarifying the application of financial institution, workers' compensation, unemployment compensation, taxation, and usury laws; modifying certain powers of, and rules applicable to, limited liability companies and their members and affiliates; creating an agricultural limited liability companies task force; amending Minnesota Statutes 1992, sections 48.24, subdivisions 1, 7, and 8; 51A.02, subdivision 43; 176.011, subdivision 10; 176.041, subdivision 1a; 268.04, subdivision 9; 268.161, subdivision 9; 290.92, subdivision 1; 297A.01, subdivision 2; 302A.011, subdivision 25; 302A.161, subdivision 12; 302A.501, subdivision 1; 302A.521, subdivision 1; 302A.551, subdivision 3; 302A.673, subdivision 1; 319A.02, subdivision 7; 322B.03, subdivision 41, and by adding subdivisions; 322B.115, subdivisions 1 and 2; 322B.20, subdivisions 5, 7, 12, 14, and 21; 322B.30, subdivisions 2 and 3; 322B.306, subdivisions 1, 3, and 4; 322B.31,

subdivision 3; 322B.313; 322B.316; 322B.323, subdivision 2; 322B.373, subdivision 1; 322B.54, subdivision 3; 322B.693, subdivision 1; 322B.696; 322B.699, subdivision 1; 322B.77, subdivisions 1 and 3; 322B.80, subdivision 1, and by adding a subdivision; 322B.873; 322B.91, subdivision 1; 322B.92; 322B.93; 322B.935, subdivisions 2 and 3; and 334.021; proposing coding for new law in Minnesota Statutes, chapter 322B.

Senate File No. 181 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1993

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 181 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 181: A bill for an act relating to limited liability companies; clarifying the application of financial institution, workers' compensation, unemployment compensation, taxation, and usury laws; modifying certain powers of, and rules applicable to, limited liability companies and their members and affiliates; amending Minnesota Statutes 1992, sections 48.24, subdivisions 1, 7, and 8; 51A.02, subdivision 43; 176.011, subdivision 10; 176.041, subdivision 1a; 268.04, subdivision 9; 268.161, subdivision 9; 290.92, subdivision 1; 297A.01, subdivision 2; 302A.011, subdivision 25; 302A.161, subdivision 12; 302A.501, subdivision 1; 302A.521, subdivision 1; 302A.551, subdivision 3; 302A.673, subdivision 1; 319A.02, subdivision 7; 322B.03, subdivision 41, and by adding subdivisions; 322B.115, subdivisions 1 and 2; 322B.20, subdivisions 5, 7, 12, 14, and 21; 322B.30, subdivisions 2 and 3; 322B.306, subdivisions 1, 3, and 4; 322B.31, subdivision 3; 322B.313; 322B.316; 322B.323, subdivision 2; 322B.373, subdivision 1; 322B.54, subdivision 3; 322B.693, subdivision 1; 322B.696; 322B.699, subdivision 1; 322B.77, subdivisions 1 and 3; 322B.80, subdivision 1, and by adding a subdivision; 322B.873; 322B.91, subdivision 1; 322B.92; 322B.93; 322B.935, subdivisions 2 and 3; and 334.021; proposing coding for new law in Minnesota Statutes, chapter 322B.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Murphy	Solon
Anderson	Dille	Knutson	Oliver	Spear
Belanger	Finn	Kroening	Pariseau	Stevens
Benson, D.D.	Flynn	Langseth	Piper	Stumpf
Benson, J.E.	Frederickson	Larson	Price	Terwilliger
Berg	Hanson	Lesewski	Ranum	Vickerman
Berglin	Hottinger	Luther	Reichgott	Wiener
Bertram	Johnson, D.E.	Marty	Riveness	
Betzold	Johnson, J.B.	McGowan	Robertson	
Chandler	Johnston	Moe, R.D.	Runbeck	
Chmielewski	Kelly	Morse	Sams	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1178:

H.F. No. 1178: A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for classification of certain tax data; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.317, subdivision 5; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.05, subdivision 2, and by adding a subdivision; 62J.09, subdivisions 2, 5, 8, and by adding subdivisions; 62J.15, subdivision 1; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 62J.33; 62J.34, subdivision 2; 62L.02, subdivisions 16, 19, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 2, 3, 4, and 6; 62L.08, subdivisions 4 and 8; 62L.09, subdivision 1; 62L.11, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2, 4, and 5; 136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.147, subdivision 4; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 144.581, subdivision 2; 151.47, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9352, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, and 5; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3, and by adding a subdivision; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, and 2a; 256B.0625, subdivision 13; 256D.03, subdivision 3; 270B.01, subdivision 8; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 3, and by adding a subdivision; 295.54; 295.55, subdivision 4; 295.57; 295.58; 295.59; Laws 1990, chapter 591, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 62A; 62J; 136A; 144; 151; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.15, subdivision 2; 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Greenfield, Cooper, Lourey, Leppik and Frerichs have been appointed as such committee on the part of the House.

House File No. 1178 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1993

Ms. Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1178, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 199, 327 and 1245.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 199: A bill for an act relating to insurance; workers' compensation; regulating the state fund mutual insurance company; requiring the workers' compensation reinsurance association to provide funds; amending Minnesota Statutes 1992, sections 176A.02, by adding a subdivision; 176A.11; proposing coding for new law in Minnesota Statutes, chapter 79.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 112, now on General Orders.

H.F. No. 327: A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; exempting former prisoners of war plates from motor vehicle registration tax; amending Minnesota Statutes 1992, sections 168.031; 168.12, subdivision 5; and 168.125, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 13, now on General Orders.

H.F. No. 1245: A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; proposing classifications of data as not public; classifying certain licensing data, educational data, security service data, motor carrier operating data, retirement data and other forms of data; amending Minnesota Statutes 1992, sections 13.32, subdivisions 1, 3, and 6; 13.41, subdivision 4; 13.43, subdivision 2; 13.46, subdivisions 1, 2, and 4; 13.643; 13.692; 13.72, by adding a subdivision; 13.792; 13.82, subdivisions 4, 6, and 10; 13.99, subdivision 24, and by adding subdivisions; 115A.93, by adding a subdivision; 144.335, subdivision 3a, and by adding a subdivision; 151.06, by adding a subdivision; 169.09, subdivisions 7 and 13; 245A.04, subdivisions 3 and 3a; 260.161, subdivisions 1 and 3; 270B.14, subdivision 1, and by adding a subdivision; 299L.03, by

adding a subdivision; and 626.556, subdivisions 11 and 11c; proposing coding for new law in Minnesota Statutes, chapters 6; 13; and 144; repealing Minnesota Statutes 1992, sections 13.644; and 13.82, subdivision 5b.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 976, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1088: A bill for an act relating to recreational vehicles; regulating registration and operation of off-road vehicles; setting fees; providing penalties; requiring a comprehensive recreational use plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 84.82, subdivision 2; 84.922, subdivision 2; 85.018, subdivisions 1, 2, 3, and 5; 86B.415, subdivision 8; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, line 27, delete "APPROPRIATION AND" and insert "APPROPRIATIONS;"

Page 16, delete line 29 and insert:

"(a) \$150,000 is"

Page 16, after line 34, insert:

"(b) \$124,000 is appropriated from the off-road vehicle account to the commissioner of natural resources for the purposes of sections 3 to 21 and is available for the fiscal year ending June 30, 1995."

Page 16, line 35, delete everything before "Amounts" and insert:

"(c)"

Page 17, line 1, delete "subdivision 1" and insert "paragraph (a)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 811: A bill for an act relating to transportation; providing for a metropolitan area high speed bus study; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 817: A bill for an act relating to public employment; providing an early retirement incentive for certain public employees; authorizing school districts to levy for certain costs.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete everything after "*Minnesota*"

Page 1, delete line 9 and insert "*shall,*"

Page 1, after line 24, insert:

"The incentives in this section do not apply to a teacher, as defined in Minnesota Statutes, section 354.05, subdivision 2, or 354A.011, subdivision 27, employed by a local school board."

Page 2, lines 8 and 12, before the period, insert "*, up to 30 years*"

Page 3, delete lines 30 to 36

Page 4, delete lines 1 to 4

Amend the title as follows:

Page 1, line 3, delete the semicolon and insert a period

Page 1, delete line 4

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1162: A bill for an act relating to state government; administrative rulemaking; changing the membership and duties of the LCRAR; transferring the rule review functions of the office of the attorney general to the office of administrative hearings; requiring rule notes; regulating grants of rulemaking authority, notices of intent to solicit outside opinion, and public hearing requirements; authorizing the governor to disapprove rules adopted after public hearing; eliminating the requirement that agencies review their rules and consider methods to reduce their impact on small business; making technical changes; requiring reports; appropriating money; amending Minnesota Statutes 1992, sections 3.841; 14.05, subdivision 2, and by adding a subdivision; 14.08; 14.09; 14.10; 14.115, subdivision 5; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.24; 14.25; 14.26; 14.29, subdivisions 2 and 4; 14.30; 14.31; 14.32; 14.33; 14.34; 14.365; 14.48; and 14.51; proposing coding for new law in Minnesota Statutes, chapters 3; and 14; repealing Minnesota Statutes 1992, sections 14.115, subdivision 6; and 14.225.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 and 3, delete section 2

Page 24, delete section 32

Page 24, line 17, delete "\$100,000" and insert "\$65,000"

Page 24, line 22, delete "\$50,000" and insert "\$35,000"

Page 24, after line 27, insert:

"(c) The office of the attorney general shall transfer \$15,000 in fiscal year 1994 to the office of administrative hearings."

Page 25, line 19, delete "9" and insert "8"

Page 25, line 22, delete "29" and insert "28"

Page 25, line 23, delete "30 to 33" and insert "29 to 31"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "requiring rule notes;"

Page 1, lines 21 and 22, delete "chapters 3; and" and insert "chapter"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1101: A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing cease and desist orders; providing for penalties; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; and 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, after line 23, insert:

"Sec. 10. [APPROPRIATION.]

\$45,000 is appropriated in fiscal year 1994 and \$49,000 is appropriated in fiscal year 1995 to the commissioner of health from the state government special revenue fund."

Page 11, line 24, delete "10" and insert "11"

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 864: A bill for an act relating to waters; inspection of watercraft for exotic harmful species; gasoline tax distribution; permit fee for aquatic vegetation control; authorizing civil citations and penalties; recommendations on milfoil control on White Bear Lake; appropriating money; amending Minnesota Statutes 1992, sections 18.317, subdivision 3a; 86B.415, subdivision 7; and 103G.615, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 18.317, subdivision 3a, is amended to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or other water-transmitted exotic harmful species identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources. *Beginning in calendar year 1994, a minimum of 20,000 hours of random inspections must be conducted per year.*

Sec. 2. [84.9692] [CIVIL CITATIONS AND PENALTIES.]

Subdivision 1: [AUTHORITY TO ISSUE.] After appropriate training, conservation officers, peace officers, and other staff designated by the commissioner may issue warnings or citations to persons who:

(1) unlawfully transport ecologically harmful exotic species on a public road;

(2) place a trailer or launch a watercraft with ecologically harmful species attached into waters of the state;

(3) operate a watercraft in a Eurasian water milfoil infestation area; or

(4) damage, remove, or sink a buoy marking a Eurasian water milfoil infestation area.

Subd. 2. [PENALTY AMOUNT.] A citation issued under this section may impose up to the following penalty amounts:

(1) \$50 for transporting visible Eurasian water milfoil on a public road in each of the following locations:

(i) the exterior of the watercraft below the gunwales including the propulsion system;

(ii) any surface of a watercraft trailer;

(iii) any surface of a watercraft interior of the gunwales;

(iv) any water container including live wells, minnow buckets, or coolers which hold water; or

(v) any other area where visible Eurasian water milfoil is found not previously described in items (1) to (4);

(2) \$150 for transporting visible zebra mussels on a public road;

(3) \$300 for transporting live ruffe or live rusty crayfish on a public road;

(4) \$500 for attempting to launch or launching a watercraft with visible Eurasian water milfoil or adult zebra mussels attached visible prior to launching into noninfested waters for a first offense, and \$1,000 for a second or subsequent offense;

(5) \$100 for operating a watercraft in a marked limited infestation of Eurasian water milfoil other than as provided by law;

(6) \$150 for intentionally damaging, moving, removing, or sinking a milfoil buoy; or

(7) \$150 for launching or attempting to launch a watercraft with visible Eurasian water milfoil or visible zebra mussels visible prior to launching into infested waters.

Subd. 3. [PAYMENT OF PENALTY.] If not appealed under subdivision 4, civil penalties are payable to the commissioner no later than 30 days after issuance. Fines collected under this section must be credited to the water recreation account.

Subd. 4. [APPEALS.] Citations may be appealed under the procedures in section 116.072, subdivision 6, if the person requests a hearing by notifying the commissioner within 15 days after receipt of the citation. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.

Subd. 5. [ENFORCEMENT OF FIELD CITATIONS.] Field citations may be enforced under section 18.317.

Subd. 6. [CUMULATIVE REMEDY.] The authority of conservation officers to issue field citations is in addition to other remedies available under law, except that the state may not seek penalties under any other provision of law for the incident subject to the citation.

Sec. 3. Minnesota Statutes 1992, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$3 is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands. The surcharge is \$5 until December 31, 1996, and \$3 thereafter.

Sec. 4. Minnesota Statutes 1992, section 103G.615, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The commissioner shall establish a fee schedule for permits to harvest aquatic plants other than wild rice, by order, after holding a public hearing. The fees may not exceed \$200 per permit based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit.

(b) The fee for a permit for chemical treatment of rooted aquatic vegetation may not exceed \$20 for each contiguous parcel of shoreline owned by an owner. This fee may not be charged for permits issued in connection with lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(e) (d) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.

Sec. 5. Minnesota Statutes 1992, section 103G.617, subdivision 5, is amended to read:

Subd. 5. [RESEARCH.] The commissioner shall initiate cooperative research with the ~~Freshwater Foundation and the University of Minnesota freshwater biological institute~~ and other public and private research facilities to study the use of nonchemical methods, including biological control agents, for control of Eurasian water milfoil.

Sec. 6. [MANAGEMENT OF EURASIAN WATER MILFOIL IN WHITE BEAR LAKE.]

By May 31, 1993, the department of natural resources shall recommend appropriate management methods for the control of Eurasian water milfoil in White Bear lake to be implemented by the White Bear Lake conservation district in cooperation with local units of government, lake associations, and local citizen groups.

Sec. 7. [APPROPRIATION.]

\$347,000 in fiscal year 1994 and \$448,000 in fiscal year 1995 are appropriated from the water recreation account in the natural resources fund to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research on nuisance aquatic exotic species in public waters and wetlands.

Sec. 8. [EFFECTIVE DATE.]

Sections 3 and 4 are effective January 1, 1994. Sections 2 and 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waters; inspection of watercraft for exotic harmful species; permit fee for aquatic vegetation control; authorizing civil penalties; appropriating money; amending Minnesota Statutes 1992, sections 18.317, subdivision 3a; 86B.415, subdivision 7; 103G.615, subdivision 2; 103G.617, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 84."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 948 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
948	938				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 948 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 948 and insert the language after the enacting clause of S.F. No. 938, the second engrossment; further, delete the title of H.F. No. 948 and insert the title of S.F. No. 938, the second engrossment.

And when so amended H.F. No. 948 will be identical to S.F. No. 938, and further recommends that H.F. No. 948 be given its second reading and substituted for S.F. No. 938, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred.

H.F. No. 1114 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1114	669				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1114 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1114 and insert the language after the enacting clause of S.F. No. 669, the second engrossment; further, delete the title of H.F. No. 1114 and insert the title of S.F. No. 669, the second engrossment.

And when so amended H.F. No. 1114 will be identical to S.F. No. 669, and further recommends that H.F. No. 1114 be given its second reading and substituted for S.F. No. 669, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1259 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1259	1167				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1088, 811, 817, 1162 and 1101 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 864, 948, 1114 and 1259 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the name of Mr. Bertram be added as a co-author to S.F. No. 853. The motion prevailed.

Mr. Novak moved that the names of Ms. Pappas and Mr. Murphy be added as co-authors to S.F. No. 1264. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1408, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1408 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1993

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1408

A bill for an act relating to agriculture; redefining terms in the plant pest act; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; amending Minnesota Statutes 1992, section 18.46, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

May 3, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1408, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Warren Limmer, Steven Smith, Stephen G. Wenzel

Senate Conferees: (Signed) Patrick D. McGowan, Dan Stevens, Joe Bertram, Sr.

Mr. McGowan moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1408 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1408 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnston	Metzen	Runbeck
Anderson	Day	Kelly	Moe, R.D.	Sams
Belanger	Dille	Kiscaden	Morse	Samuelson
Benson, D.D.	Finn	Knutson	Murphy	Solon
Benson, J.E.	Flynn	Langseth	Oliver	Spear
Berg	Frederickson	Larson	Pariseau	Stevens
Berglin	Hanson	Lesewski	Piper	Stumpf
Bertram	Hottinger	Luther	Price	Terwilliger
Betzold	Johnson, D.E.	Marty	Ranum	Vickerman
Chandler	Johnson, J.B.	McGowan	Riveness	Wiener

Mr. Kroening voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1133 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1133: A bill for an act relating to energy; directing the public service department to evaluate and implement a policy to promote the use of motor vehicles powered by alternate fuels; appropriating money; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Robertson
Anderson	Dille	Knutson	Morse	Runbeck
Belanger	Finn	Kroening	Murphy	Sams
Benson, D.D.	Flynn	Langseth	Neuville	Samuelson
Benson, J.E.	Frederickson	Larson	Oliver	Spear
Berg	Hanson	Lesewski	Pariseau	Stevens
Berglin	Hottinger	Lessard	Piper	Stumpf
Bertram	Johnson, D.E.	Luther	Price	Terwilliger
Betzold	Johnson, J.B.	Marty	Ranum	Vickerman
Chandler	Johnston	McGowan	Reichgott	Wiener
Chmielewski	Kelly	Metzen	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 894 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 894: A bill for an act relating to agriculture; imposing licensing requirements for general merchandise storage warehouses; providing bond claim procedures; amending Minnesota Statutes 1992, sections 231.01, by adding a subdivision; 231.11; 231.12; 231.13; 231.14; 231.17; and 231.18; repealing Minnesota Statutes 1992, sections 231.19; 231.20; 231.21; 231.22; 231.23; 231.25; 231.26; 231.27; 231.29; 231.30; 231.31; and 231.33.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Murphy	Samuelson
Anderson	Finn	Kroening	Oliver	Solon
Benson, D.D.	Flynn	Langseth	Pariseau	Spear
Benson, J.E.	Frederickson	Larson	Piper	Stevens
Berg	Hanson	Lessard	Price	Stumpf
Berglin	Hottinger	Luther	Ranum	Terwilliger
Bertram	Johnson, D.E.	Marty	Reichgott	Vickerman
Betzold	Johnson, J.B.	McGowan	Riveness	Wiener
Chandler	Johnston	Metzen	Robertson	
Chmielewski	Kelly	Moe, R.D.	Runbeck	
Day	Kiscaden	Morse	Sams	

Ms. Lesewski voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 296 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 296: A bill for an act relating to human services; requiring parent's social security numbers at birth; modifying various child support provisions; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 144.215, by adding a subdivision; 518.551, subdivisions 5 and 7; 518.611, subdivisions 1, 2, 4, 6, and by adding a subdivision; and 518.613, subdivisions 2, 3, and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Morse	Runbeck
Anderson	Finn	Laidig	Murphy	Sams
Belanger	Flynn	Langseth	Neuville	Samuelson
Benson, D.D.	Frederickson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Pariseau	Spear
Berg	Johnson, D.E.	Lessard	Piper	Stevens
Berglin	Johnson, J.B.	Luther	Price	Stumpf
Bertram	Johnston	Marty	Ranum	Terwilliger
Betzold	Kelly	McGowan	Reichgott	Vickerman
Chandler	Kiscaden	Metzen	Riveness	Wiener
Day	Knutson	Moe, R.D.	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 544 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 544: A bill for an act relating to labor; providing that certain acts are an unfair labor practice; amending Minnesota Statutes 1992, sections 179.12; and 179A.13, subdivision 2.

Ms. Kiscaden moved to amend S.F. No. 544 as follows:

Page 2, line 4, after "To" insert "*intentionally*"

Page 4, line 2, after "(13)" insert "*intentionally*"

CALL OF THE SENATE

Mr. Murphy imposed a call of the Senate for the balance of the proceedings on S.F. No. 544. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Kiscaden amendment.

The roll was called, and there were yeas 25 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Day	Kiscaden	McGowan	Robertson
Benson, D.D.	Dille	Knutson	Neuville	Runbeck
Benson, J.E.	Frederickson	Laidig	Oliver	Stevens
Berg	Johnson, D.E.	Larson	Olson	Terwilliger
Bertram	Johnston	Lesewski	Pariseau	Vickerman

Those who voted in the negative were:

Adkins	Hanson	Lessard	Murphy	Riveness
Anderson	Hottinger	Luther	Novak	Sams
Berglin	Johnson, J.B.	Marty	Pappas	Samuelson
Betzold	Kelly	Metzen	Piper	Solon
Chandler	Krentz	Moe, R.D.	Price	Spear
Finn	Kroening	Mondale	Ranum	Stumpf
Flynn	Langseth	Morse	Reichgott	Wiener

The motion did not prevail. So the amendment was not adopted.

S.F. No. 544 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Lessard	Novak	Samuelson
Anderson	Hanson	Luther	Pappas	Solon
Berglin	Hottinger	Marty	Piper	Spear
Bertram	Johnson, J.B.	Metzen	Price	Stumpf
Betzold	Kelly	Moe, R.D.	Ranum	Wiener
Chandler	Krentz	Mondale	Reichgott	
Chmielewski	Kroening	Morse	Riveness	
Finn	Langseth	Murphy	Sams	

Those who voted in the negative were:

Belanger	Dille	Knutson	Neuville	Runbeck
Benson, D.D.	Frederickson	Laidig	Oliver	Stevens
Benson, J.E.	Johnson, D.E.	Larson	Olson	Terwilliger
Berg	Johnston	Lesewski	Pariseau	Vickerman
Day	Kiscaden	McGowan	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 554 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 554: A bill for an act relating to occupations and professions; authorizing actions against lapsed licenses; requiring roofers to be licensed by the state; providing for temporary licenses and fees; amending Minnesota Statutes 1992, sections 45.027, by adding a subdivision; and 326.83, subdivisions 4, 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Laidig	Neuville	Riveness
Anderson	Frederickson	Langseth	Novak	Robertson
Belanger	Hanson	Lessard	Oliver	Runbeck
Benson, J.E.	Johnson, D.E.	Luther	Olson	Samuelson
Berglin	Johnson, J.B.	Marty	Pappas	Solon
Bertram	Johnston	McGowan	Pariseau	Spear
Betzold	Kiscaden	Metzen	Piper	Stumpf
Chandler	Knutson	Moe, R.D.	Price	Terwilliger
Cohen	Krentz	Mondale	Ranum	Wiener
Finn	Kroening	Murphy	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Day	Larson	Morse	Stevens
Berg	Dille	Lesewski	Sams	Vickerman
Chmielewski				

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 788 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 788: A bill for an act relating to energy; clarifying maximum energy consumption requirements for certain exit lamps; eliminating advance forecast reporting requirements for public electric utilities submitting advance forecasts in an integrated resource plan; updating the municipal energy conservation loan program; eliminating the district heating loan program; amending Minnesota Statutes 1992, sections 16B.61, subdivision 3; 116C.54; 216B.16, by adding a subdivision; 216C.17, subdivision 3; 216C.19, subdivisions 17 and 19; 216C.37, subdivision 1; 299F.011, subdivision 4c; and 446A.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1992, section 216C.36; Minnesota Rules, parts 7665.0200; 7665.0210; 7665.0220; 7665.0230; 7665.0240; 7665.0250; 7665.0300; 7665.0310; 7665.0320; 7665.0330; 7665.0340; 7665.0350; 7665.0360; 7665.0370; and 7665.0380.

Mr. Chandler moved to amend S.F. No. 788 as follows:

Page 5, after line 31, insert:

“Sec. 4. Minnesota Statutes 1992, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. [CONSERVATION IMPROVEMENTS; COOPERATIVES; MUNICIPALITIES.] (a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, .5 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state.

(c) Each municipality and cooperative association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association. By February 1 of each year, each municipality or cooperative shall report to the commissioner its energy

conservation improvement spending and investments with a brief analysis of effectiveness in reducing consumption of electricity or gas. The commissioner shall review each report and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. The commissioner shall also review each report for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income of less than 185 percent of the federal poverty level. *The commissioner shall approve energy conservation improvement spending and investments for residential conservation improvement programs devoted to the needs of renters and low-income persons, provided that the total cost to the utility is less than the cost to produce an equivalent new supply of energy.*

(d) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year.

Sec. 5. Minnesota Statutes 1992, section 216B.241, subdivision 2, is amended to read:

Subd. 2. [PROGRAMS.] The commissioner may by rule require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. The commissioner shall require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The rules of the department must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, or material constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable. The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department. Load management may be used to meet the requirements for energy conservation improvements under this section if it results in a demonstrable reduction in consumption of energy. The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization. No utility may make an energy conservation improvement under this section to a building envelope unless:

(1) it is the primary supplier of energy used for either space heating or cooling in the building;

(2) the commissioner determines that special circumstances, which would unduly restrict the availability of conservation programs, warrant otherwise; or

(3) the utility has been awarded a contract under subdivision 2a.

The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. *The commissioner shall approve energy conservation improvement spending and investments for residential conservation improvement programs devoted to the needs of renters and low-income persons; provided that the total cost to the utility is less than the cost to produce an equivalent amount new supply of energy.*

A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stevens moved to amend S.F. No. 788 as follows:

Page 5, delete section 3

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Ms. Johnson, J.B. moved to amend S.F. No. 788 as follows:

Page 6, after line 34, insert:

"Sec. 8. Minnesota Statutes 1992, section 216C.31, is amended to read:

216C.31 [ENERGY AUDIT PROGRAMS.]

Subdivision 1. [PROGRAMS.] The commissioner shall develop and administer state programs of energy audits of residential and commercial buildings including those required by United States Code, title 42, sections 8211 to 8222 and sections 8281 to 8284. The commissioner shall continue to administer the residential energy audit program as originally established under

the provisions of United States Code, title 42, sections 8211 to 8222; through July 1, 1986 irrespective of any prior expiration date provided in United States Code, title 42, section 8216. The commissioner may approve temporary programs if they are likely to result in the installation of as many conservation measures as would have been installed had the utility met the requirements of United States Code, title 42, sections 8211 to 8222.

Subd. 2. [RENTAL PROPERTY; OCCUPANCY OR OWNERSHIP CHANGE.] (a) When an energy audit has not been conducted within the previous three years of a change in occupancy or ownership of a renter-occupied residence, as defined in section 216C.27, subdivision 2, the new owner or new occupant may request an energy audit if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill. The utility providing gas or electric service to the residence shall then provide an energy audit free of charge to the requester. The utility shall provide the owner and new occupant with a copy of the energy audit showing the date completed.

(b) The expenses of the utility to provide energy audits under this subdivision are considered conservation improvement program expenses under section 216B.241. The commission shall allow a utility to recover energy audit expenses under this section.

Subd. 3. [RELEASE OF INFORMATION.] The consumer services division and the attorney general may release information on consumer comments about the operation of the program to the commissioner."

Page 12, after line 22, insert:

"Sec. 13. Minnesota Statutes 1992, section 504.185, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given to them.

- (a) "Owner" has the meaning given to it in section 566.18, subdivision 3.
- (b) "Tenant" has the meaning given to it in section 566.18, subdivision 2.
- (c) "Building" has the meaning given to it in section 566.18, subdivision 7.

(d) "Single-metered residential building" means a multiunit rental building with one or more separate residential living units, managed by a landlord, where two or more rental units are provided utility service through a single meter or other device used to measure the amount of utility service consumed.

Sec. 14. Minnesota Statutes 1992, section 504.185, is amended by adding a subdivision to read:

Subd. 1a. [SINGLE-METER UTILITY SERVICE PAYMENTS.] In a residential leasehold contract entered into or renewed on or after August 1, 1993, the landlord of a single-metered residential building is responsible for and shall contract with the utility for utility services and shall be the bill payer and the customer of record on the utility account. The landlord must advise the utility provider that the utility services apply to a single-metered residential building. A failure by the landlord to comply with this subdivision is a violation of sections 504.18, subdivision 1, clause (a), and 504.26. In addition to the remedy provided by this section, the landlord is subject to the

penalties and remedies applicable to a violation of sections 504.18, subdivision 1, clause (a), and 504.26. This subdivision may not be waived by contract or otherwise. This subdivision does not require a landlord to contract and pay for utility service provided to each residential unit through a separate meter.

Sec. 15. Minnesota Statutes 1992, section 504.22, is amended by adding a subdivision to read:

Subd. 4b. [DISCLOSURE OF ENERGY INFORMATION.] The owner of a rental building, as defined in section 566.18, subdivision 7, shall disclose in writing and provide to each prospective tenant if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill:

(1) a statement on whether an energy audit has been conducted within the last three years; and

(2) a copy of the last energy audit conducted, if any."

Page 12, line 31, delete "section 216C.36, is" and insert "sections 216C.36 and 327C.04, subdivision 4, are"

Page 12, after line 35, insert:

"Sec. 18. [EFFECTIVE DATE.]

Sections 8 and 15 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 788 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Novak	Sams
Anderson	Dille	Kroening	Oliver	Solon
Beckman	Finn	Langseth	Olson	Spear
Benson, D.D.	Flynn	Larson	Pappas	Stevens
Benson, J.E.	Fredrickson	Lesewski	Pariseau	Stumpf
Berg	Hanson	Lessard	Piper	Terwilliger
Berglin	Hottinger	Luther	Price	Vickerman
Bertram	Janezich	Marty	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Mondale	Robertson	
Cohen	Knutson	Morse	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 988 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 988: A bill for an act relating to game and fish; allowing the taking

of two deer in designated counties; amending Minnesota Statutes 1992, section 97B.301, subdivisions 2, 4, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Krentz	Murphy	Robertson
Anderson	Day	Langseth	Novak	Runbeck
Beckman	Dille	Larson	Oliver	Sams
Benson, D.D.	Finn	Lesewski	Olson	Samuelson
Benson, J.E.	Flynn	Lessard	Pappas	Solon
Berg	Hanson	Luther	Pariseau	Spear
Berglin	Hottinger	Marty	Piper	Stevens
Bertram	Janezich	Metzen	Price	Stumpf
Betzold	Johnson, D.E.	Moe, R.D.	Ranum	Terwilliger
Chandler	Johnston	Mondale	Reichgott	Vickerman
Chmielewski	Knutson	Morse	Riveness	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1402 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1402: A bill for an act relating to natural resources; amending requirements relating to replacement of wetlands; modifying exemptions; amending Minnesota Statutes 1992, sections 103E.701, subdivision 1; 103G.222; 103G.2241; 103G.2242, subdivision 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2.

Mr. Stumpf moved to amend H.F. No. 1402, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1363.)

Page 8, after line 36, insert:

“Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

The motion prevailed. So the amendment was adopted.

Mr. Dille moved to amend H.F. No. 1402, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1363.)

Page 8, after line 14, insert:

“Sec. 4. Minnesota Statutes 1992, section 103G.2242, subdivision 11, is amended to read:

Subd. 11. [WETLAND HERITAGE ADVISORY COMMITTEE.] The governor shall establish a wetland heritage advisory committee consisting of a balanced diversity of interests including agriculture, environmental, and sporting organizations, land development organizations, local government

organizations, and other agencies. The committee must consist of nine members including the commissioner of agriculture, or a designee of the commissioner, the commissioner of natural resources, and seven members appointed by the governor. The governor's appointees must include one county commissioner, one representative each from a statewide sporting organization, a statewide conservation organization, an agricultural commodity group, one faculty member of an institution of higher education with expertise in the natural sciences, and one member each from two statewide farm organizations. The committee shall advise the board on the development of rules under this section and, after rule adoption, shall meet *at least* twice a year to review implementation of the program, to identify strengths and weaknesses, and to recommend changes to the rules and the law to improve the program."

Page 8, after line 36, insert:

"Sec. 8. [STUDY AND REPORT ON WETLAND ISSUES.]

The wetland heritage advisory committee shall study the following issues and submit a report by January 15, 1994, to the legislative committees having jurisdiction over environmental and natural resource issues:

(1) *the appropriateness of requirements under existing state laws relating to replacement of drained or filled wetlands;*

(2) *the advisability of establishing a minimum size of wetland that would not be subject to regulation under these laws;*

(3) *the appropriate level of regulation of activities in wetlands located in counties in which a high percentage of presettlement wetland acreage is intact;*

(4) *the appropriate level of regulation for activities in type I wetlands, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition);*

(5) *the feasibility and advisability of allowing local units of government to establish alternative regulatory programs for wetlands that would operate in lieu of state law; and*

(6) *other issues identified by the committee as deserving of attention.*

The report must include the committee's recommendations, if any, for changes to existing state laws and rules regulating draining and filling activities in wetlands."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring the wetland heritage advisory committee to meet at least twice per year; requiring a report;"

Page 1, line 5, delete "subdivision 2" and insert "subdivisions 2 and 11"

The motion prevailed. So the amendment was adopted.

Mr. Vickerman moved to amend H.F. No. 1402, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1363.)

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1992, section 103E.701, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] The term “repair,” as used in this section, means to restore all or a part of a drainage system as nearly as practicable to the same condition as originally constructed and subsequently improved, including resloping of ditches and leveling of waste banks if necessary to prevent further deterioration, realignment to original construction if necessary to restore the effectiveness of the drainage system, and routine operations that may be required to remove obstructions and maintain the efficiency of the drainage system. “Repair” also includes:

(1) incidental straightening of a tile system resulting from the tile-laying technology used to replace tiles; and

(2) replacement of tiles with the next larger size that is readily available, if the original size is not readily available.”

Page 8, after line 36, insert:

“Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “defining as “repair” under the drainage code certain incidental straightening of tiles and use of larger tile sizes under certain circumstances;”

Page 1, line 4, after “sections” insert “103E.701, subdivision 1;”

The motion prevailed. So the amendment was adopted.

H.F. No. 1402 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Murphy	Robertson
Anderson	Dille	Kroening	Neuville	Runbeck
Beckman	Finn	Langseth	Novak	Sams
Belanger	Flynn	Larson	Oliver	Samuelson
Benson, D.D.	Frederickson	Lesewski	Olson	Solon
Benson, J.E.	Hanson	Lessard	Pappas	Spear
Berg	Hottinger	Luther	Pariseau	Stevens
Berglin	Janezich	Marty	Piper	Stumpf
Bertram	Johnson, D.E.	McGowan	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Metzen	Price	Vickerman
Chandler	Johnston	Moe, R.D.	Ranum	Wiener
Chmielewski	Kiscaden	Mondale	Reichgott	
Cohen	Knutson	Morse	Riveness	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 826 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 826: A bill for an act relating to counties; allowing counties to impose fees or interest on late payments; amending Minnesota Statutes 1992, section 373.41.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Larson	Novak	Runbeck
Beckman	Flynn	Lesewski	Oliver	Sams
Benson, D.D.	Frederickson	Lessard	Olson	Samuelson
Benson, J.E.	Hanson	Luther	Pappas	Solon
Berg	Hottinger	Marty	Pariseau	Spear
Berglin	Janezich	McGowan	Piper	Stevens
Betzold	Johnson, D.E.	Metzen	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Moe, R.D.	Price	Terwilliger
Chmielewski	Johnston	Mondale	Ranum	Vickerman
Cohen	Kiscaden	Morse	Reichgott	Wiener
Day	Knutson	Murphy	Riveness	
Dille	Krentz	Neuville	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1226 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1226: A bill for an act relating to insurance; the comprehensive health association; clarifying the duties of the association and the authority of the commissioner of commerce; repealing obsolete language; amending Minnesota Statutes 1992, sections 62E.08; 62E.09; 62E.10, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 62E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Robertson
Beckman	Flynn	Laidig	Neuville	Runbeck
Belanger	Frederickson	Larson	Novak	Samuelson
Benson, D.D.	Hanson	Lesewski	Oliver	Spear
Benson, J.E.	Hottinger	Lessard	Olson	Stevens
Berglin	Janezich	Luther	Pappas	Stumpf
Betzold	Johnson, D.E.	Marty	Pariseau	Vickerman
Chandler	Johnson, J.B.	McGowan	Piper	Wiener
Chmielewski	Johnston	Metzen	Pogemiller	
Cohen	Kiscaden	Moe, R.D.	Price	
Day	Knutson	Mondale	Ranum	
Dille	Krentz	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and

Administration, designated H.F. No. 185 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 185: A bill for an act relating to utilities; prohibiting state permits for construction of certain hydropower facilities on the bluffs of the Mississippi river; proposing coding for new law in Minnesota Statutes, chapter 216B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Morse	Ranum
Belanger	Finn	Krentz	Murphy	Reichgott
Benson, D.D.	Flynn	Kroening	Neuville	Riveness
Benson, J.E.	Frederickson	Laidig	Novak	Robertson
Berg	Hanson	Larson	Oliver	Runbeck
Berglin	Hottinger	Luther	Olson	Spear
Betzold	Janezich	Marty	Pappas	Stevens
Chandler	Johnson, D.E.	McGowan	Pariseau	Stumpf
Chmielewski	Johnson, J.B.	Metzen	Piper	Vickerman
Cohen	Johnston	Moe, R.D.	Pogemiller	Wiener
Day	Kiscaden	Mondale	Price	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1064 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1064: A bill for an act relating to retirement; alternative retirement coverage for certain state university and community college teachers; amending Laws 1990, chapter 570, article 10, section 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Murphy	Runbeck
Belanger	Day	Krentz	Neuville	Sams
Benson, D.D.	Dille	Kroening	Oliver	Solon
Benson, J.E.	Finn	Laidig	Olson	Spear
Berg	Flynn	Larson	Pappas	Stevens
Berglin	Frederickson	Luther	Pogemiller	Stumpf
Bertram	Hottinger	Marty	Price	Vickerman
Betzold	Johnson, J.B.	Metzen	Ranum	Wiener
Chandler	Johnston	Mondale	Reichgott	
Chmielewski	Kiscaden	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and

Administration, designated H.F. No. 571 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 571: A bill for an act relating to education; extending dates for per pupil revenue option; authorizing certain contracts with school board members and with the spouses of school district employees; amending Minnesota Statutes 1992, sections 124A.029, subdivision 4, 127.15; and 471.88, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Moe, R.D.	Ranum
Belanger	Day	Knutson	Morse	Riveness
Benson, D.D.	Dille	Krentz	Murphy	Runbeck
Benson, J.E.	Finn	Kroening	Novak	Sams
Berg	Flynn	Laidig	Oliver	Spear
Berglin	Frederickson	Larson	Olson	Stumpf
Bertram	Hottinger	Lesewski	Pappas	Vickerman
Betzold	Janezich	Luthier	Pariseau	Wiener
Chandler	Johnson, J.B.	Marty	Pogemiller	
Chmielewski	Johnston	Metzen	Price	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1320 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1320: A bill for an act relating to education; requiring changes in college preparation requirements.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Moe, R.D.	Price
Belanger	Dille	Krentz	Mondale	Ranum
Benson, D.D.	Finn	Kroening	Morse	Riveness
Benson, J.E.	Frederickson	Laidig	Murphy	Robertson
Berg	Hanson	Langseth	Novak	Runbeck
Berglin	Hottinger	Larson	Oliver	Sams
Bertram	Janezich	Lesewski	Olson	Solon
Betzold	Johnson, J.B.	Luther	Pappas	Spear
Chandler	Johnston	Marty	Pariseau	Vickerman
Chmielewski	Kiscaden	Metzen	Piper	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 427 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 427: A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use taxes, income and franchise taxes, property taxes, and tax administration and enforcement; changing penalties; appropriating money; amending Minnesota Statutes 1992, sections 82B.035, by adding a subdivision; 84.82, subdivision 10; 86B.401, subdivision 12; 270.071, subdivision 2; 270.072, subdivision 2; 271.06, subdivision 1; 271.09, subdivision 3; 272.02, subdivisions 1 and 4; 272.025, subdivision 1; 272.12; 273.03, subdivision 2; 273.061, subdivision 8; 273.124, subdivisions 9 and 13; 273.13, subdivision 25; 273.138, subdivision 5; 273.1398, subdivisions 1, 3, and 5b; 274.13, subdivision 1; 274.18; 275.065, subdivision 5a; 275.07, subdivisions 1 and 4; 275.28, subdivision 3; 275.295; 277.01, subdivision 2; 277.15; 277.17; 278.01, subdivision 1; 278.02; 278.03; 278.04; 278.08; 278.09; 287.21, subdivision 4; 287.22; 289A.08, subdivisions 3, 10, and 15; 289A.09, subdivision 1; 289A.11, subdivisions 1 and 3; 289A.12, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, and 14; 289A.18, subdivisions 1 and 4; 289A.20, subdivision 4; 289A.25, subdivisions 1, 2, 5a, 6, 8, 10, and 12; 289A.26, subdivisions 1, 4, and 6; 290A.04, subdivisions 1 and 2h; 296.14, subdivision 2; 297A.01, subdivision 3; 297B.01, subdivision 5; 297B.03; 347.10; 348.04; 469.175, subdivision 5; and 473H.10, subdivision 3; Laws 1991, chapter 291, article 1, section 65, as amended; Laws 1992, chapter 511, article 2, section 61; proposing coding for new law in Minnesota Statutes, chapters 273; 289A; and 297; repealing Minnesota Statutes 1992, sections 60A.13, subdivision 1a; 273.49; 274.19; 274.20; 277.011; 289A.08, subdivisions 9 and 12; 297A.258; and 348.03.

Ms. Pappas moved to amend H.F. No. 427, as amended pursuant to Rule 49, adopted by the Senate April 22, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 585.)

Page 6, lines 27 and 28, delete the new language

Page 72, line 11, delete "3.5" and insert "2.65"

Pages 87 and 88, delete section 39

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 19, delete "282.018;"

The motion prevailed. So the amendment was adopted.

H.F. No. 427 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Mondale	Riveness
Anderson	Day	Krentz	Morse	Robertson
Beckman	Dille	Kroening	Murphy	Sams
Belanger	Finn	Laidig	Novak	Solon
Benson, D.D.	Flynn	Langseth	Oliver	Spear
Benson, J.E.	Frederickson	Larson	Olson	Stevens
Berg	Hottinger	Lesewski	Pappas	Stumpf
Berglin	Janezich	Luther	Pariseau	Vickerman
Bertram	Johnson, D.E.	Marty	Piper	Wiener
Betzold	Johnson, J.B.	McGowan	Pogemiller	
Chandler	Johnston	Metzen	Price	
Chmielewski	Kiscaden	Moe, R.D.	Ranum	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 238 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 238: A bill for an act relating to towns; providing that metropolitan town elections may take place on the general election day; amending Minnesota Statutes 1992, sections 365.51, subdivision 1, and by adding a subdivision; and 365.59.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Laidig	Murphy	Robertson
Belanger	Flynn	Langseth	Neuville	Runbeck
Benson, D.D.	Frederickson	Larson	Novak	Sams
Benson, J.E.	Hanson	Lesewski	Oliver	Solon
Berg	Janezich	Luther	Olson	Spear
Berglin	Johnson, D.E.	Marty	Pappas	Stevens
Betzold	Johnston	McGowan	Pariseau	Stumpf
Chandler	Kiscaden	Metzen	Piper	Vickerman
Chmielewski	Knutson	Moe, R.D.	Pogemiller	Wiener
Day	Krentz	Mondale	Ranum	
Dille	Kroening	Morse	Riveness	

Mrs. Adkins voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 141 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 141: A bill for an act relating to uniform acts; enacting Minnesota Common Interest Ownership Act; amending Minnesota Statutes 1992, sections 308A.011, subdivision 1; 500.20, subdivision 2a; 508.71, by adding a subdivision; and 541.023, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 515B.

Ms. Reichgott moved to amend S.F. No. 141 as follows:

Page 52, after line 14, insert:

“(g) Except as otherwise provided in this subsection, meetings of the board of directors must be open to the unit owners. To the extent practicable, the board shall give reasonable notice to the unit owners of the date, time, and place of a board meeting. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, announced at a previous meeting of the board, posted in a location accessible to the unit owners and designated by the board from time to time, or if an emergency requires immediate consideration of a matter by the board, notice is not required. “Notice” has the meaning given in section 317A.011, subdivision 14. Meetings may be closed to discuss the following:

(1) personnel matters;

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or association and unit owners, or other matters in which any unit owner may have an adversarial interest, if the board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the board or association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting.”

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend S.F. No. 141 as follows:

Page 10, line 9, delete “515A.2-104” and insert “515B.2-104”

Page 21, line 24, delete “515B.1-103(32)” and insert “515B.1-103(31)”

Page 40, line 4, delete the fourth comma

Page 49, line 8, delete “bylaws and declaration” and insert “declaration and bylaws”

Page 66, line 6, delete “budget” and insert “budgets” and after “provide” insert “from year to year, on a cumulative basis,”

Page 67, line 32, delete the first comma

Page 68, line 28, after “(k)” insert “Subject to any shorter period specified by the declaration or bylaws,”

Page 69, line 16, delete everything after the comma

Page 69, delete lines 17 and 18

Page 69, line 19, delete “assessment lien”

Page 69, line 20, delete everything after the period

Page 69, delete lines 21 to 23

Page 69, line 24, delete "advertisement" and insert "If a first mortgage on a unit is foreclosed, the first mortgage was recorded after the effective date of this chapter, and no owner redeems during the owner's period of redemption provided by chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (h)(1) to (3), (i), and (l) which became due, without acceleration, during the six months immediately preceding the first day following the end of the owner's period of redemption. If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (h)(1) to (3), (i), and (l) which became due, without acceleration, during the six months immediately preceding the first day following either the date of sale pursuant to section 336.9-504 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-505"

Page 70, line 24, after the period, insert "In any disposition pursuant to section 336.9-504 or retention pursuant to section 336.9-505, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01; subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

- (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS**
- (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS**
- (3) \$500 TO APPLY TO ATTORNEYS FEES ACTUALLY EXPENDED OR INCURRED; PLUS**
- (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR**

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFI-

CALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY.””

Page 70, line 25, after “foreclosure” insert “pursuant to chapter 580, 581, or 582,”

Page 70, line 26, delete “that”

Page 70, line 28, delete “that” and insert “in a foreclosure by advertisement under chapter 580,”

Page 70, line 29, delete “all its” and after “costs” insert “and disbursements”

Page 70, line 30, after “foreclosure” insert a comma and delete “reasonable” and delete everything after “fees” and insert “in the amount provided by section 582.01, subdivision 1a”

Page 70, line 31, delete “statute to the contrary, and” and after “(iii)” insert “in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees as the court shall determine, and (iv)”

Page 71, line 12, after “Except” insert “in a cooperative and except”

Page 72, after line 13, insert:

“(c) A security interest in a cooperative whose unit owners’ interests in the units are personal property may be perfected by the filing of a financing statement in the office of the recording officer for the county in which the unit is located. In any disposition by a secured party pursuant to section 336.9-504 or retention pursuant to section 336.9-505, the rights of the parties shall be the same as those provided by law, subject to the exceptions and requirements set forth in section 515B.3-116 (h)(3), and except that the unit owner has the right to reinstate the debt owing to the secured party by paying to the secured party, prior to the effective date of the disposition or retention, the amount which would be required to reinstate the debt under section 580.30 if the unit were wholly real estate.”

Page 77, line 24, delete “515A.4-106(d)” and insert “515B.4-106(d)”

Page 86, line 6, delete “515A.3-102(a)(2)” and insert “515B.3-102(a)(2)”

Page 98, after line 6, insert:

“ARTICLE 6

EFFECTIVE DATE

Section 1. [EFFECTIVE DATE.]

Articles 1 to 5 are effective June 1, 1994.”

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 141 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Kroening	Morse	Riveness
Belanger	Flynn	Laidig	Murphy	Robertson
Benson, D.D.	Frederickson	Langseth	Neuville	Runbeck
Benson, J.E.	Hanson	Larson	Novak	Sams
Berg	Hottinger	Lesewski	Oliver	Solon
Berglin	Janezich	Lessard	Olson	Spear
Bertram	Johnson, D.E.	Luther	Pappas	Stevens
Betzold	Johnson, J.B.	Marty	Pariseau	Stumpf
Chandler	Johnston	McGowan	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Day	Knutson	Moe, R.D.	Ranum	
Dille	Krentz	Mondale	Reichgott	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 951 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 951: A bill for an act relating to the city of Duluth; authorizing the transfer of money from the gas division account in the public utility fund to the general fund; amending Laws 1951, chapter 507, section 1, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Murphy	Robertson
Beckman	Flynn	Laidig	Neuville	Runbeck
Belanger	Frederickson	Langseth	Novak	Sams
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Luther	Pappas	Stevens
Berglin	Johnson, D.E.	Marty	Pariseau	Stumpf
Bertram	Johnson, J.B.	McGowan	Piper	Vickerman
Betzold	Johnston	Metzen	Pogemiller	Wiener
Chandler	Kiscaden	Moe, R.D.	Ranum	
Cohen	Knutson	Mondale	Reichgott	
Day	Krentz	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 304 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 304: A bill for an act relating to agriculture; requiring aquatic pest control applicators to be licensed; establishing categories of commercial aquatic applicator and certified aquatic applicator; amending Minnesota Statutes 1992, section 18B.32.

Ms. Olson moved to amend S.F. No. 304 as follows:

Page 5, after line 20, insert:

“Sec. 2. Minnesota Statutes 1992, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories ~~except a licensed structural pest control applicator or a structural pest control license or commercial aquatic pest control license.~~

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters ~~without an a commercial aquatic category endorsement on a commercial applicator pest control license under section 18B.32, except a commercial aquatic pest control license is not required for licensed commercial applicators applying pesticides for the purposes of:~~

- (1) pest control on cultivated wild rice;
- (2) mosquito and black fly control operations;
- (3) pest control on rights-of-way;
- (4) aerial pest control operations for emergent vegetation control;
- (5) aerial application of piscicides; and
- (6) pest control for silvicultural operations.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 3. Minnesota Statutes 1992, section 18B.33, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a commercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible for the commercial applicator license.

(b) Aerial applicators must also fulfill applicable requirements in chapter 360.

~~(c) An applicant that desires an aquatic category endorsement must pass an examination prepared by the commissioner of natural resources and administered by the department of agriculture.~~

Sec. 4. Minnesota Statutes 1992, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial applicator, certified private applicator, *a licensed aquatic pest control applicator*, or licensed structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A licensed noncommercial applicator may not apply pesticides into or on surface waters without ~~an a certified aquatic category endorsement on the pest control license, except a certified aquatic pest control license is not required for licensed noncommercial applicators applying pesticides for the purposes of:~~

- (1) *mosquito and black fly control operations;*
- (2) *pest control on rights-of-way;*
- (3) *pest control operations for purple loosestrife control;*
- (4) *application of piscicides; and*
- (5) *pest control for silvicultural operations.*

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 5. Minnesota Statutes 1992, section 18B.34, subdivision 3, is amended to read:

Subd. 3. [APPLICATION.] A person must apply to the commissioner for a noncommercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to acquire a noncommercial applicator license. ~~An applicant desiring to apply pesticides into or on surface waters must pass an examination prepared by the department of natural resources and administered by the commissioner.~~

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 304 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Krentz	Mondale	Riveness
Beckman	Flynn	Kroening	Morse	Robertson
Belanger	Frederickson	Laidig	Murphy	Runbeck
Benson, D.D.	Hanson	Langseth	Neuville	Sams
Benson, J.E.	Hottinger	Lesewski	Novak	Spear
Berg	Janezich	Lessard	Oliver	Stevens
Berglin	Johnson, D.E.	Luther	Olson	Stumpf
Bertram	Johnson, J.B.	Marty	Pappas	Vickerman
Betzold	Johnston	McGowan	Pariseau	Wiener
Chandler	Kelly	Merriam	Piper	
Chmielewski	Kiscaden	Metzen	Pogemiller	
Day	Knutson	Moe, R.D.	Ranum	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 785 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 785: A bill for an act relating to labor; establishing rights and duties in relation to union organization; providing that certain acts are an unfair labor practice; proposing penalties; amending Minnesota Statutes 1992, sections 179.12; 179A.07, by adding a subdivision; and 179A.13, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Moe, R.D.	Pogemiller
Berglin	Hanson	Langseth	Mondale	Ranum
Betzold	Hottinger	Lessard	Morse	Reichgott
Chandler	Janezich	Luther	Murphy	Riveness
Chmielewski	Johnson, J.B.	Marty	Novak	Solon
Cohen	Kelly	Merriam	Pappas	Spear
Finn	Krentz	Metzen	Piper	Wiener

Those who voted in the negative were:

Adkins	Bertram	Knutson	Oliver	Stevens
Beckman	Day	Laidig	Olson	Stumpf
Belanger	Dille	Larson	Pariseau	Vickerman
Benson, D.D.	Frederickson	Lesewski	Robertson	
Benson, J.E.	Johnston	McGowan	Runbeck	
Berg	Kiscaden	Neuville	Sams	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1151 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1151: A bill for an act relating to employment; requiring wage payments at certain times; amending Minnesota Statutes 1992, section 181.101.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Mondale	Reichgott
Anderson	Dille	Kroening	Morse	Rivness
Beckman	Finn	Laidig	Murphy	Robertson
Belanger	Flynn	Langseth	Neuville	Runbeck
Benson, D.D.	Frederickson	Larson	Novak	Sams
Benson, J.E.	Hanson	Lesewski	Oliver	Solon
Berg	Hottinger	Lessard	Olson	Spear
Berglin	Janezich	Luther	Pappas	Stevens
Bertram	Johnson, J.B.	Marty	Pariseau	Stumpf
Betzold	Johnston	McGowan	Piper	Vickerman
Chandler	Kelly	Merriam	Pogemiller	Wiener
Chmielewski	Kiscaden	Metzen	Price	
Cohen	Knutson	Moe, R.D.	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1153 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1153: A bill for an act relating to Aitkin county; permitting a local liquor and restaurant tax.

Mr. Chmielewski moved to amend S.F. No. 1153 as follows:

Page 1, line 11, after "*on-sales*" insert "*and off-sales*"

Page 1, line 12, after "*on-sale*" insert "*and off-sale*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved that S.F. No. 1153 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 964 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 964: A bill for an act relating to public safety; authorizing commissioner of public safety to apply for federal natural disaster assistance funds; amending Minnesota Statutes 1992, section 12.221.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Murphy	Robertson
Anderson	Dille	Laidig	Neuville	Runbeck
Beckman	Finn	Langseth	Novak	Sams
Belanger	Flynn	Larson	Oliver	Solon
Benson, D.D.	Frederickson	Lesewski	Olson	Spear
Benson, J.E.	Hanson	Lessard	Pappas	Stevens
Berg	Hottinger	Luther	Pariseau	Stumpf
Berglin	Janezich	Marty	Piper	Vickerman
Bertram	Johnson, J.B.	McGowan	Pogemiller	Wiener
Betzold	Johnston	Merriam	Price	
Chandler	Kelly	Metzen	Ranum	
Chmielewski	Kiscaden	Mondale	Reichgott	
Cohen	Knutson	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1115 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1115: A bill for an act relating to natural resources; modifying provisions relating to aquaculture; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 17.4982, subdivisions 1, 8, and by adding a subdivision; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4985, subdivisions 2 and 3; 17.4986, subdivision 2, and by adding a subdivision; 17.4991, subdivisions 3, 4, and by adding a subdivision; 17.4992, subdivision 3; 18B.26, subdivision 1; 97C.203; 97C.515, subdivision 4; 97C.525, subdivision 3; and 103G.2241; proposing coding for new law in Minnesota Statutes, chapter 17.

Mr. Berg moved to amend S.F. No. 1115 as follows:

Page 10, after line 25, insert:

“Sec. 18. Minnesota Statutes 1992, section 97C.515, is amended by adding a subdivision to read:

Subd. 5. [SPECIAL PERMITS.] (a) The commissioner may issue a special permit, without a fee, to allow a person with a private fish hatchery license to import minnows from other states for export. A permit under this subdivision is not required for importation authorized under subdivision 4.

(b) An applicant for a permit under this subdivision shall submit to the commissioner sufficient information to identify potential threats to native plant and animal species and an evaluation of the feasibility of the proposal. The permit may include reasonable restrictions on importation, transportation, possession, containment, and disposal of minnows to ensure that native species are protected. The permit may have a term of up to two years and may be modified, suspended, or revoked by the commissioner for cause, including violation of a condition of the permit.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1115 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Mondale	Riveness
Anderson	Dille	Kroening	Morse	Robertson
Beckman	Finn	Laidig	Murphy	Runbeck
Belanger	Flynn	Langseth	Neuville	Sams
Benson, D.D.	Frederickson	Larson	Novak	Samuelson
Benson, J.E.	Hanson	Lesewski	Oliver	Solon
Berg	Hottinger	Lessard	Olson	Spear
Berglin	Janezich	Luther	Pariseau	Stevens
Bertram	Johnson, D.E.	Marty	Piper	Stumpf
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 694 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 694: A bill for an act relating to driving while intoxicated; increasing driver's license revocation periods and restricting issuance of limited licenses to persons convicted of DWI, to comply with federal standards; increasing penalties for driving while intoxicated with a child under 16 in the vehicle; establishing misdemeanor offense of operating a motor vehicle by a minor with alcohol concentration greater than 0.02; providing for implied consent to test minor's blood, breath, or urine and making refusal to take test a crime; amending Minnesota Statutes 1992, sections 168.042, subdivision 2; 169.121, subdivisions 1, 2, 3, 4, 6, 8, 10a, and by adding a subdivision; 169.1217, subdivision 1; 169.123, subdivisions 2, 4, 5a, 6, 10, and by adding a subdivision; 169.129; 171.30, subdivision 2a; 171.305, subdivision 2; and 609.21; proposing coding for new law in Minnesota Statutes, chapter 169.

Mr. Marty moved to amend S.F. No. 694 as follows:

Page 5, line 23, strike "30" and insert "90"

Page 5, line 25, strike "90" and insert "180"

Page 7, line 12, strike the first "or"

Page 7, line 13, before the period, insert "; or (3) in an action for license reinstatement under section 171.19"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 694 as follows:

Page 10, delete lines 15 to 36 and insert:

"(b) 'Designated offense' includes:

(1) a misdemeanor violation of section 169.121, or an ordinance in conformity with it, ~~or 169.129;~~

(1) ~~within five years of three~~ after a prior driving under the influence ~~convictions conviction or three prior license revocations based on separate incidents~~ revocation;

(2) ~~within 15 years of the first of four or more prior driving under the influence convictions or the first of four or more prior license revocations based on separate incidents;~~

(3) a misdemeanor violation of section 169.121 or an ordinance in conformity with it by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (8); or

(4) (3) a misdemeanor violation of section 169.121 or an ordinance in conformity with it by a person who is subject to a restriction on the person's driver's license under section 171.09 which provides that the person may not use or consume any amount of alcohol or a controlled substance; or

(4) a gross misdemeanor violation of section 169.121 or 169.129."

Page 11, delete line 1

Page 11, after line 23, insert:

"Sec. 12. Minnesota Statutes 1992, section 169.1217, subdivision 4, is amended to read:

Subd. 4. [BOND BY OWNER FOR POSSESSION.] (a) If the owner of a vehicle that has been seized under this section seeks possession of the vehicle before the forfeiture action is determined, the owner may, subject to the approval of the appropriate ~~agency authority~~, give security or post bond payable to the appropriate ~~agency authority~~ in an amount equal to the retail value of the seized vehicle. On posting the security or bond, the seized vehicle may be returned to the owner only if a disabling device is attached to the vehicle. The forfeiture action shall proceed against the security as if it were the seized vehicle.

(b) *The motor vehicle must be returned to the owner within 24 hours if the owner surrenders the motor vehicle's certificate of title to the appropriate authority. The seized vehicle may be returned only if a disabling device is attached to the vehicle, pending resolution of the forfeiture action. If the certificate is surrendered, the owner may not be ordered to post security or bond as a condition of release of the vehicle. When a certificate of title is surrendered under this provision, the authority shall notify the department of public safety and any secured party noted on the certificate. The authority shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 52 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Murphy	Riveness
Beckman	Flynn	Laidig	Neuville	Robertson
Belanger	Frederickson	Langseth	Novak	Runbeck
Benson, D.D.	Hottinger	Larson	Oliver	Sams
Benson, J.E.	Johnson, D.E.	Lesewski	Olson	Solon
Berglin	Johnson, J.B.	Luther	Pappas	Spears
Betzold	Johnston	Marty	Pariseau	Stevens
Chandler	Kelly	McGowan	Piper	Wiener
Cohen	Kiscaden	Moe, R.D.	Price	
Day	Knutson	Mondale	Ranum	
Dille	Krentz	Morse	Reichgott	

Those who voted in the negative were:

Berg	Chmielewski	Lessard	Metzen	Stumpf
Bertram	Janezich	Merriam	Samuelson	Vickerman

The motion prevailed. So the amendment was adopted.

S.F. No. 694 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Price
Anderson	Dille	Krentz	Mondale	Ranum
Beckman	Finn	Laidig	Morse	Reichgott
Belanger	Flynn	Langseth	Murphy	Riveness
Benson, D.D.	Frederickson	Larson	Neuville	Robertson
Benson, J.E.	Hottinger	Lesewski	Novak	Runbeck
Berglin	Johnson, D.E.	Lessard	Oliver	Solon
Betzold	Johnson, J.B.	Luther	Olson	Spears
Chandler	Johnston	Marty	Pappas	Stevens
Chmielewski	Kelly	McGowan	Pariseau	Wiener
Cohen	Kiscaden	Merriam	Piper	

Those who voted in the negative were:

Berg	Janezich	Pogemiller	Stumpf	Vickerman
Bertram	Metzen	Samuelson		

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1232 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1232: A resolution memorializing Congress to consider the impact of the North American Free Trade Agreement on state sovereignty, the need for full legislative deliberation, and the withdrawal of NAFTA from the current fast-track procedures.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 41 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Lessard	Murphy	Sams
Anderson	Flynn	Luther	Novak	Solon
Berglin	Frederickson	Marty	Pappas	Stumpf
Bertram	Hottinger	McGowan	Piper	Vickerman
Betzold	Janezich	Merriam	Pogemiller	Wiener
Chandler	Johnson, J.B.	Metzen	Price	
Cohen	Kelly	Moe, R.D.	Ranum	
Day	Krentz	Mondale	Reichgott	
Dille	Kroening	Morse	Riveness	

Those who voted in the negative were:

Belanger	Chmielewski	Knutson	Neuville	Runbeck
Benson, D.D.	Johnson, D.E.	Laidig	Oliver	Stevens
Benson, J.E.	Johnston	Larson	Pariseau	
Berg	Kiscaden	Lesewski	Robertson	

So the resolution passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 937 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 937: A bill for an act relating to retirement; benefit computation for members of the Bloomington police relief association; amending Minnesota Statutes 1992, sections 353B.07, subdivision 3; and 353B.11, subdivisions 2, 3, 5, and 6.

Mr. Riveness moved to amend S.F. No. 937 as follows:

Page 2, line 8, delete "42" and insert "45"

Page 2, line 12, before the period, insert ", but not to exceed 42 units"

Page 2, after line 12, insert:

"(c) A member receiving a disability benefit as of January 31, 1994, is entitled to receive a monthly benefit during the disabilitant's lifetime while so disabled equal to 39 units."

Page 9, after line 20, insert:

"Sec. 2. Minnesota Statutes 1992, section 353B.08, subdivision 6, is amended to read:

Subd. 6. [DUTY DISABILITY BENEFIT AMOUNT.] (a) The duty disability benefit shall be an amount equal to the service pension amount to which the person would have been entitled if the person had credit for the greater of actual years of allowable service or 20 years of allowable service, had attained the minimum age for the receipt of a service pension, and had applied for a service pension rather than a disability benefit for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;
- (4) Austin police relief association;

- (5) Buhl police relief association;
- (6) Chisholm police relief association;
- (7) Duluth police relief association;
- (8) Faribault fire department relief association;
- (9) Mankato police benefit association;
- (10) Minneapolis police relief association;
- (11) New Ulm police relief association;
- (12) Red Wing police relief association;
- (13) St. Paul police relief association;
- (14) South St. Paul police relief association; and
- (15) Virginia police relief association.

(b) The duty disability benefit shall be an amount equal to 48 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) St. Cloud fire department relief association;
- (6) St. Cloud police relief association;
- (7) St. Louis Park police relief association; and
- (8) Winona police relief association.

(c) The duty disability benefit shall be an amount equal to 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;
- (2) Crookston fire department relief association;
- (3) Fairmont police benefit association;
- (4) Mankato fire department relief association;
- (5) Richfield fire department relief association;
- (6) South St. Paul firefighters relief association; and
- (7) Virginia fire department relief association.

(d) The duty disability benefit shall be an amount equal to 45 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Bloomington police relief association; and

(2) Crystal police relief association.

(e) The duty disability benefit shall be an amount equal to 40 percent of the salary base for the former members of the following consolidating relief associations:

(1) West St. Paul firefighters relief association; and

(2) West St. Paul police relief association.

(f) The duty disability benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) *52 percent of the salary base for former members who were disabled before January 31, 1994, and 48 percent of the salary base for former members who become disabled after January 31, 1994, Bloomington police relief association;*

(2) 40 percent of the top salary for a patrol officer, Brainerd police relief association;

(2) (3) \$100 per month, Chisholm firefighters relief association;

(3) (4) 37.5 percent of the salary base if the person has credit for less than ten years of allowable service, 43.75 percent of the salary base if the person has credit for more than nine years but less than 15 years of allowable service and 50 percent of the salary base if the person has credit for more than 14 years of allowable service credit, Columbia Heights fire department relief association, paid division;

(4) (5) 43.75 percent of the salary base, Columbia Heights police relief association;

(5) (6) 25 percent of the salary base if the person has credit for less than 12 years of allowable service and an additional amount equal to 2.5 percent of the salary base per year if allowable service for each year of allowable service in excess of 11 years of allowable service, not more than 50 percent, Crookston police relief association;

(6) (7) 51.0625 percent of the salary base, Duluth firefighters relief association;

(7) (8) 12.5 percent of the salary base if the person has credit for less than six years of allowable service, 2.5 percent of the salary base per year of allowable service if the person has more than five years of allowable service, but not more than 50 percent of the salary base, Faribault police benefit association;

(8) (9) the dollar amount which equals the benefit which would be payable under chapter 176 for a comparable benefit which qualifies for a workers' compensation benefit for a first class disability, 75 percent of the amount payable in the event of a first class disability for a second class disability and 50 percent of the amount payable in the event of a first class disability for a third class disability, Hibbing firefighters relief association;

(9) (10) \$120 per month, Hibbing police relief association;

(10) (11) 51.25 percent of the salary base for a first class disability, 41.25 percent of the salary base for a second class disability, and 31.25 percent of

the salary base for a third class disability, Minneapolis fire department relief association;

(11) (12) 40 percent of the salary base if the person has credit for less than 20 years of allowable service and two percent of the salary base per year of allowable service if the person has more than 19 years of allowable service, but not more than 50 percent, Red Wing fire department relief association;

(12) (13) 50 percent of the salary base if the person has credit for less than 20 years of allowable service and an amount equal to the service pension amount to which the person would have been entitled based on the applicable amount of allowable service if the person had attained the minimum age for the receipt of a service pension and had applied for a service pension rather than a disability benefit and if the person has credit for at least 20 years of allowable service, St. Louis Park fire department relief association;

(13) (14) 50 percent of the salary base if the person is not able to perform the duties of any other gainful employment, 39.375 percent of the salary base if the person is only able to perform the duties of light manual labor or office employment and 33.75 percent of the salary base if the person is able to perform the duties of other manual labor, St. Paul fire department relief association; and

(14) (15) 42.667 percent of the salary base, Winona fire department relief association."

Page 20, line 2, delete "5" and insert "6"

ReNUMBER the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 5, after the first semicolon, insert "353B.08, subdivision 6;"

The motion prevailed. So the amendment was adopted.

S.F. No. 937 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Krentz	Moe, R.D.	Ranum
Beckman	Finn	Kroening	Mondale	Reichgott
Belanger	Flynn	Laidig	Morse	Riveness
Benson, D.D.	Frederickson	Langseth	Murphy	Robertson
Benson, J.E.	Hottinger	Larson	Neuville	Runbeck
Berg	Janezich	Lesewski	Novak	Sams
Berglin	Johnson, D.E.	Lessard	Oliver	Solon
Bertram	Johnson, J.B.	Luther	Pappas	Spear
Betzold	Johnston	Marty	Pariseau	Stevens
Chandler	Kelly	McGowan	Piper	Stumpf
Chmielewski	Kiscaden	Merriam	Pogemiller	Vickerman
Day	Knutson	Metzen	Price	Wiener

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Wiener moved that H.F. No. 1063 be taken from the table. The motion prevailed.

H.F. No. 1063: A bill for an act relating to commerce; currency exchanges; changing the date for submission of license renewal applications; amending Minnesota Statutes 1992, section 53A.03.

Mr. Frederickson moved to amend H.F. No. 1063, the unofficial engrossment, as follows:

Page 3, lines 2 and 4, reinstate the stricken language

Page 3, line 3, delete the new language

Page 3, line 6, reinstate the first stricken comma

Page 3, line 7, reinstate the stricken "governor" and delete "commissioner"

Page 3, lines 9 to 11, reinstate the stricken language and delete the new language

Page 3, line 33, reinstate the stricken "governor or the district"

Page 3, line 34, reinstate the stricken "court" and delete "commissioner"

Page 4, lines 5 and 6, reinstate the stricken language and delete the new language

Page 6, line 36, before the period, insert "*except that a notary may be removed from office only by the governor or the district court*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1063 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Moe, R.D.	Ranum
Anderson	Day	Krentz	Mondale	Reichgott
Beckman	Dille	Kroening	Morse	Riveness
Belanger	Finn	Laidig	Murphy	Robertson
Benson, D.D.	Flynn	Langseth	Neuville	Runbeck
Benson, J.E.	Frederickson	Larson	Novak	Sams
Berg	Hottinger	Lesewski	Oliver	Solon
Berglin	Janezich	Lessard	Olson	Spear
Bertram	Johnson, D.E.	Luther	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Vickerman
Chmielewski	Kiscaden	Metzen	Price	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 596 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 596: A bill for an act relating to the city of Minneapolis; permitting the city to license certain liquor sales.

Mr. Spear moved to amend S.F. No. 596 as follows:

Page 1, line 10, delete "396" and insert "400" and delete "I" and insert "44"

Page 2, line 8, delete "in continuous"

Page 2, delete line 9

Page 2, line 10, delete everything before "a"

Page 2, line 11, delete "or county"

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 596 as follows:

Page 2, line 11, delete the second "of" and insert "or"

The motion prevailed. So the amendment was adopted.

Ms. Anderson moved to amend S.F. No. 596 as follows:

Page 1, line 6, before "The" insert "(a)"

Page 1, after line 15, insert:

"(b) The city of St. Paul may by ordinance, after a public hearing, issue to a holder of an on-sale alcoholic beverage license for premises located in the downtown business district, an additional license authorizing the licensee to make on-sales between the hours of 1:00 a.m. and 2:00 a.m. and to permit the consumption of alcoholic beverages until at least 3:00 a.m. The license is in addition to the number of licenses authorized by Minnesota Statutes, section 340A.413. The downtown business district includes all that portion of the city of St. Paul lying within and bounded by the following streets: beginning at the intersection of Shepard Road with Chestnut Street, Chestnut Street to Pleasant Avenue, Pleasant Avenue to Kellogg Street, Kellogg Street to Summit Avenue, Summit Avenue to Tenth Street, Tenth Street to Interstate Highway No. 94, Interstate Highway No. 94 to Lafayette Bridge, Lafayette Bridge to where the bridge crosses over Warner Road, Warner Road to Shepard Road, Shepard Road to Chestnut Street."

Page 2, line 16, delete "body" and insert "bodies"

Page 2, line 17, delete "city of Minneapolis complies" and insert "cities of Minneapolis and St. Paul comply"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend S.F. No. 596 as follows:

Page 1, delete lines 5 to 15 and insert:

"Section 1. Minnesota Statutes 1992, section 340A.504, is amended by adding a subdivision to read:

Subd. 2a. [EXTENDED HOURS.] (a) A home rule charter or statutory city may by ordinance authorize on-sale licensees to sell intoxicating liquor for consumption on the licensed premises between the hours of 1:00 a.m. and 2:00 a.m., and to permit the consumption of alcoholic beverages until at least 3:00 a.m. The governing body of the city may refer the ordinance to the voters of the city for approval. The voters of the city may also, by a petition signed by a number equal to at least ten percent of those who voted at the last general election, require that the ordinance be submitted to the voters. The popular

vote may be at a general election or a special election called for the purpose. This subdivision supersedes any inconsistent provision of this chapter."

Page 1, line 16, delete "Subd. 2. [ORDINANCES.]" and insert "(b)" and delete "subdivision 1" and insert "paragraph (a)"

Page 1, line 17, delete "paragraphs (a)" and insert "clauses (1)"

Page 1, line 18, delete "(b)" and insert "(2)"

Page 1, line 19, delete "(a)" and insert "(1)"

Page 2, line 2, delete "(1)" and insert "(i)"

Page 2, line 3, delete "(2)" and insert "(ii)"

Page 2, line 4, delete "(3)" and insert "(iii)"

Page 2, line 6, delete "(4)" and insert "(iv)"

Page 2, line 7, delete "(5)" and insert "(v)"

Page 2, line 8, delete "(b)" and insert "(2)"

Page 2, delete section 2

Delete the title and insert:

"A bill for an act relating to liquor; authorizing cities to extend on-sale laws by ordinance; amending Minnesota Statutes 1992, section 340A.504, by adding a subdivision."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 50, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Johnson, D.E.	Larson	Metzen	Samuelson
Bertram	Kiscaden	Lessard	Neuville	Solon
Hanson	Kroening	McGowan	Pariseau	Stevens
Janezich				

Those who voted in the negative were:

Adkins	Cohen	Knutson	Morse	Reichgott
Anderson	Day	Krentz	Murphy	Riveness
Beckman	Dille	Laidig	Novak	Robertson
Belanger	Finn	Langseth	Oliver	Runbeck
Benson, J.E.	Flynn	Lesewski	Olson	Sams
Berg	Frederickson	Luther	Pappas	Spear
Berglin	Hottinger	Marty	Piper	Stumpf
Betzold	Johnson, J.B.	Merriam	Pogemiller	Terwilliger
Chandler	Johnston	Moe, R.D.	Price	Vickerman
Chmielewski	Kelly	Mondale	Ranum	Wiener

The motion did not prevail. So the amendment was not adopted.

Mr. Riveness moved to amend S.F. No. 596 as follows:

Page 2, delete section 2 and insert:

"Sec. 2. [BLOOMINGTON; SALES DURING LATE HOURS.]

Subdivision 1. [LICENSES AUTHORIZED.] The city of Bloomington may by ordinance, after a public hearing, issue to a holder of an on-sale alcoholic beverage license, for an establishment the main entrance of which is located

within one mile on either side of the boundaries of marked Interstate Highway No. 494 and marked Interstate Highway No. 35W within the city, an additional license authorizing the licensee to make on-sales between the hours of 1:00 a.m. and 2:00 a.m. and to permit the consumption of alcoholic beverages until at least 3:00 a.m. The license is in addition to the number of licenses authorized by Minnesota Statutes, section 340A.413.

Subd. 2. [ORDINANCES.] An ordinance under subdivision 1 must contain at a minimum the requirements in paragraphs (a) and (b) for holders of licenses under this section.

(a) The licensee must have on duty at all times during the hours when making sales or permitting consumption under the license issued under this section at least one employee, serving or supervising, whom the city or county has certified as having successfully completed a server training program which has been certified by the city or county as providing adequate training for servers in:

- (1) recognizing the signs of intoxication;
- (2) skills in intervention to prevent intoxication;
- (3) knowledge of state laws governing licensee responsibilities;
- (4) knowledge of alcohol effects; and
- (5) methods of avoiding making illegal sales.

(b) The licensee must adopt and maintain in continuous effect during the hours when making sales or permitting consumption under the license authorized under this section a policy, approved by the city or county, of promoting the sale of consumption of food and nonalcoholic beverages at least to the same extent that the licensee promotes the sale or consumption of alcoholic beverages.

Sec. 3. [LOCAL APPROVAL.]

Section 1 is effective on approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 2 is effective on approval by the Bloomington city council and compliance with Minnesota Statutes, section 645.021, subdivision 3."

The motion did not prevail. So the amendment was not adopted.

Mr. Pogemiller moved to amend S.F. No. 596 as follows:

Page 1, line 10, after the second comma, insert "except east of the Mississippi river,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Langseth	Neuville	Price
Beckman	Finn	Larson	Novak	Ranum
Belanger	Hottinger	Marty	Oliver	Robertson
Benson, J.E.	Johnson, D.E.	McGowan	Olson	Runbeck
Berg	Johnson, J.B.	Merriam	Pappas	Stumpf
Chmielewski	Kelly	Moe, R.D.	Pariseau	Vickerman
Cohen	Knutson	Mondale	Piper	Wiener
Day	Laidig	Murphy	Pogemiller	

Those who voted in the negative were:

Adkins	Flynn	Krentz	Metzen	Solon
Berglin	Frederickson	Kroening	Morse	Spear
Bertram	Hanson	Lesewski	Reichgott	Stevens
Betzold	Johnston	Lessard	Riveness	Terwilliger
Chandler	Kiscaden	Luther	Sams	

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend S.F. No. 596 as follows:

Page 1, line 11, delete "make on-sales" and insert "sell nonalcoholic beverages"

Page 1, line 12, delete "alcoholic" and insert "nonalcoholic"

CALL OF THE SENATE

Mr. Spear imposed a call of the Senate for the balance of the proceedings on S.F. No. 596. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Oliver amendment.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Knutson	Neuville	Stevens
Belanger	Finn	Laidig	Oliver	Terwilliger
Benson, D.D.	Frederickson	Larson	Olson	Vickerman
Benson, J.E.	Johnson, D.E.	Lesewski	Pariseau	
Berg	Johnson, J.B.	Luther	Price	
Chmielewski	Johnston	McGowan	Robertson	
Day	Kiscaden	Merriam	Sams	

Those who voted in the negative were:

Adkins	Flynn	Lessard	Pappas	Solon
Anderson	Hanson	Marty	Piper	Spear
Berglin	Hottinger	Metzen	Pogemiller	Stumpf
Bertram	Janezich	Mondale	Ranum	Wiener
Betzold	Kelly	Morse	Reichgott	
Chandler	Krentz	Murphy	Riveness	
Cohen	Kroening	Novak	Runbeck	

The motion did not prevail. So the amendment was not adopted.

Mr. Price moved to amend S.F. No. 596 as follows:

Page 2, after line 14, insert:

"(c) A person showing evidence of intoxication on the licensed premises shall be provided transportation to their place of residence within the city or in the case of a nonresident, a hotel or motel accommodation, at the expense of the city."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Finn	Larson	Neuville	Runbeck
Benson, D.D.	Frederickson	Lesewski	Novak	Stevens
Benson, J.E.	Johnson, D.E.	Marty	Oliver	Terwilliger
Berg	Johnston	McGowan	Olson	Vickerman
Chmielewski	Kiscaden	Merriam	Pariseau	
Day	Knutson	Morse	Price	
Dille	Laidig	Murphy	Robertson	

Those who voted in the negative were:

Adkins	Cohen	Kroening	Pappas	Solon
Anderson	Flynn	Langseth	Piper	Spear
Beckman	Hanson	Lessard	Pogemiller	Stumpf
Berglin	Hottinger	Luther	Ranum	Wiener
Bertram	Janezich	Metzen	Reichgott	
Betzold	Johnson, J.B.	Moe, R.D.	Riveness	
Chandler	Krentz	Mondale	Sams	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 596 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 19 and nays 45, as follows:

Those who voted in the affirmative were:

Adkins	Janezich	Metzen	Pogemiller	Spear
Anderson	Kelly	Morse	Riveness	Stumpf
Berglin	Krentz	Pappas	Runbeck	Wiener
Cohen	Lessard	Piper	Solon	

Those who voted in the negative were:

Beckman	Dille	Kiscaden	McGowan	Pariseau
Belanger	Finn	Knutson	Merriam	Price
Benson, D.D.	Flynn	Kroening	Moe, R.D.	Ranum
Benson, J.E.	Frederickson	Laidig	Mondale	Reichgott
Bertram	Hanson	Langseth	Murphy	Robertson
Betzold	Hottinger	Larson	Neuville	Sams
Chandler	Johnson, D.E.	Lesewski	Novak	Stevens
Chmielewski	Johnson, J.B.	Luther	Oliver	Terwilliger
Day	Johnston	Marty	Olson	Vickerman

So the bill, as amended, failed to pass.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees and Second Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1105: A bill for an act relating to health; extending the expiration date of certain advisory councils and committees; modifying provisions relating to lead abatement; changing regulation provisions for hotels, resorts, restaurants, and manufactured homes; providing penalties; amending Minne-

sota Statutes 1992, sections 15.059, subdivision 5; 144.73, subdivision 3; 144.871, subdivisions 2, 6, 7a, and by adding subdivisions; 144.872, subdivision 2; 144.873, subdivision 2; 144.874, subdivisions 1, 3, 4, and 6; 144.878, subdivisions 2 and 5; 157.01, subdivision 1; 157.03; 157.08; 157.081, subdivision 1; 157.09; 157.12; 157.14; 245.97, subdivision 6; 327.10; 327.11; 327.16, subdivision 5; 327.20, subdivision 1; 327.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; and 157; repealing Minnesota Statutes 1992, sections 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; and 157.05, subdivisions 2 and 3.

Senate File No. 1105 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

Mr. Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 1105, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 454:

H.F. No. 454: A bill for an act relating to economic development; requiring a summary of performance measures for business loan or grant programs from the department of trade and economic development; amending Minnesota Statutes 1992, section 116J.58, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Clark, Smith, and Jaros have been appointed as such committee on the part of the House.

House File No. 454 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1993

Ms. Runbeck moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 454, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 891 and 553. The motion prevailed.

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 891: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1992, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 553: A bill for an act relating to retirement; teachers retirement association; providing for the consolidation of the St. Paul teachers retirement fund association; making conforming amendments; amending Minnesota Statutes 1992, sections 3.85, subdivisions 11 and 12; 354.05, subdivisions 2 and 13; 354A.011, subdivisions 8 and 15a; 354A.021, subdivision 1; 354A.092; 354A.093; 354A.095; 354A.096; 354A.12, subdivisions 1, 2, 2a, and 2b; 354A.23, subdivision 1; 354A.30; 354A.32, subdivision 1; 354A.39; 354A.40, subdivision 1; 354A.41; 356.20, subdivision 2; 356.215, subdivision 2; 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.32; subdivision 2; 356.35, subdivisions 2 and 5; 356.36, subdivision 1; 356.86, subdivisions 1, 2, and 3; Laws 1965, chapter 705, section 1, subdivision 4; Laws 1989, chapter 319, article 13, section 94; Laws 1990, chapter 570, article 7, section 4; and Laws 1992, chapter 598, articles 5, section 2; and 6, section 18; repealing Minnesota Statutes 1992, sections 354A.23, subdivision 2; 355.201; 355.202; 355.203; 355.204; 355.205; 355.206; 355.207; 355.208; 355.209; Laws 1976, chapter 238, section 14; Laws 1977, chapter 429, sections 60 and 61; Laws 1979, chapter 109; Laws 1981, chapter 157; Laws 1985, chapter 259, section 3; Laws 1987, chapter 372, article 7, section 6; Laws 1988, chapter 709, article 8, section 8; Laws 1990, chapter 570, article 7, section 3; and Laws 1991, chapter 67.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [RETIREMENT CONTRIBUTION LEVY DISALLOWED.] *Except as provided in subdivision 3b, paragraph (d), with respect to special school district No. 1, notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.*

Sec. 2. Minnesota Statutes 1992, section 354A.12, subdivision 2a, is amended to read:

Subd. 2a. [EMPLOYER REGULAR AND ADDITIONAL CONTRIBUTION RATES.] (a) The employing units shall make the following employer contributions to teachers retirement fund associations:

(1) for any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(2) for any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a regular employer contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	4.50 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent;

(3) for any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a regular employer contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	8.50 percent
St. Paul teachers retirement fund association	8.00 percent

(4) for a basic member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the designated percentage of the salary of the basic member, as provided below:

Minneapolis teachers retirement fund association	
<i>July 1, 1993 - June 30, 1994</i>	4.85 percent
<i>July 1, 1994, and thereafter</i>	3.64 percent
St. Paul teachers retirement fund association	
<i>July 1, 1993 - June 30, 1995</i>	4.63 percent
<i>July 1, 1995, and thereafter</i>	3.64 percent

(5) for a coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the applicable percentage of the coordinated member's salary, as provided below:

Duluth teachers retirement fund association	1.29 percent
Minneapolis teachers retirement fund association	
<i>July 1, 1992 - June 30, 1993</i>	0.00 percent
<i>July 1, 1993, and thereafter</i>	1.00
<i>July 1, 1993 - June 30, 1994</i>	0.50 percent
<i>July 1, 1994, and thereafter</i>	3.64 percent
St. Paul teachers retirement fund association	
<i>July 1, 1992 - June 30, 1993</i>	0.00 percent
<i>July 1, 1993, and thereafter</i>	1.00
<i>July 1, 1993 - June 30, 1994</i>	0.5 percent
<i>July 1, 1994 - June 30, 1995</i>	1.50 percent
<i>July 1, 1995, and thereafter</i>	3.64 percent

(b) For basic members of the Minneapolis teachers retirement fund association and the St. Paul teachers retirement fund association who retire on or after July 1, 1993, the employing unit shall continue to make an additional employer contribution to the retirement fund in an amount equal to the average salary of the employing unit's basic members multiplied by the relevant percentages in paragraph (a), clause (4).

(e) The regular and additional employer contributions must be remitted directly to the respective teachers retirement fund association each month.

(d) (c) Payments of regular and additional employer contributions for school district or technical college employees who are paid from normal operating funds must be made from the appropriate fund of the district or technical college.

Sec. 3. Minnesota Statutes 1992, section 354A.12, is amended by adding a subdivision to read:

Subd. 3a. [SPECIAL DIRECT STATE AID TO ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION.] (a) The state shall pay to the St. Paul teachers retirement fund association \$500,000 in fiscal year 1994. In each subsequent fiscal year, the payment to the St. Paul teachers retirement fund association must be increased at the same rate as the increase in the general education aids formula in subsequent fiscal years.

(b) The direct state aid is payable October 1 annually. The commissioner of education shall pay the direct state aid. The amount required under this subdivision is appropriated annually to the commissioner of education.

Sec. 4. Minnesota Statutes 1992, section 354A.12, is amended by adding a subdivision to read:

Subd. 3b. [SPECIAL DIRECT STATE MATCHING AID TO THE MINNEAPOLIS SCHOOL DISTRICT NO. 1] (a) Special school district No. 1 may make an additional employer contribution to the Minneapolis teachers retirement fund association. The city of Minneapolis may make a contribution to the Minneapolis teachers retirement fund association. This contribution may be made by a levy of the board of estimate and taxation of the city of Minneapolis, and the levy, if made, is classified as that of a special taxing district for purposes of section 275.065.

(b) For every \$1,000 contributed in equal proportion by special school district No. 1 and by the city of Minneapolis to the Minneapolis teachers retirement fund association under paragraph (a), the state shall pay to the Minneapolis teachers retirement fund association \$1,000, but not to exceed \$2,500,000 in total in fiscal year 1994. The total amount available for each subsequent fiscal year must be increased at the same rate as the increase in the general education aids formula in subsequent fiscal years. The superintendent of special school district No. 1, the mayor of the city of Minneapolis, and the executive director of the Minneapolis teachers retirement fund association shall jointly certify to the commissioner of education the total amount that has been contributed by special school district No. 1 and by the city of Minneapolis to the Minneapolis teachers retirement fund association. Any certification to the commissioner of education must be made quarterly. If the total certifications for a fiscal year exceed the maximum annual direct state matching aid amount in any quarter, the amount of direct state matching aid payable to the Minneapolis teachers retirement fund association must be

limited to the balance of the maximum annual direct state matching aid amount available. The amount required under this paragraph, subject to the maximum direct state matching aid amount, is appropriated annually to the commissioner of education.

(c) The commissioner of education may prescribe the form of the certifications required under paragraph (b).

(d) In the calendar year next following the making of a contribution under paragraph (a), special school district No. 1 may levy a tax over the taxable property of the school district equal to the amount of the contribution to the Minneapolis teachers retirement fund association to reimburse itself for the amount of the additional retirement contribution under paragraph (b) previously made from other revenue sources.

Sec. 5. Minnesota Statutes 1992, section 354A.12, is amended by adding a subdivision to read:

Subd. 3c. [TERMINATION OF DIRECT STATE MATCHING AID.] (a) The direct state aid under subdivision 3a to the St. Paul teachers retirement association and the direct state aid under subdivision 3b to the Minneapolis teachers retirement fund association terminates for the respective fund at the end of the fiscal year in which the accrued liability funding ratio for that fund, as determined in the most recent actuarial report for that fund by the actuary retained by the legislative commission on pensions and retirement, equals or exceeds the accrued liability funding ratio for the teachers retirement association, as determined in the most recent actuarial report for the teachers retirement association by the actuary retained by the legislative commission on pensions and retirement.

(b) If the state aid is terminated for the St. Paul teachers retirement fund association or the Minneapolis teachers retirement fund association under paragraph (a), it may not again be received by that fund.

Sec. 6. Minnesota Statutes 1992, section 354A.12, is amended by adding a subdivision to read:

Subd. 3d. [SUPPLEMENTAL ADMINISTRATIVE EXPENSE ASSESSMENT.] (a) The active and retired membership of the Minneapolis teachers retirement fund association and of the St. Paul teachers retirement fund association is responsible for defraying supplemental administrative expenses other than investment expenses of the respective teacher retirement fund association.

(b) Investment expenses of the teachers retirement fund association are those expenses incurred by or on behalf of the retirement fund in connection with the investment of the assets of the retirement fund other than investment security transaction costs. Other administrative expenses are all expenses incurred by or on behalf of the retirement fund for all other retirement fund functions other than the investment of retirement fund assets. Investment and other administrative expenses must be accounted for using generally accepted accounting principles and in a manner consistent with the comprehensive annual financial report of the teachers retirement fund association for the immediately previous fiscal year under section 356.20.

(c) Supplemental administrative expenses other than investment expenses of a first class city teacher retirement fund association are those expenses for the fiscal year that exceed the amount computed by applying the most recent

percentage of pay administrative expense amount, other than investment expenses, for the teachers retirement association governed by chapter 354 to the covered payroll of the respective teachers retirement fund association for the fiscal year.

(d) The board of trustees of each first class city teachers retirement fund association shall allocate the total dollar amount of supplemental administrative expenses other than investment expenses among the various active and retired membership groups of the teachers retirement fund association and shall assess the various membership groups their respective share of the supplemental administrative expenses other than investment expenses, in amounts determined by the board of trustees. The supplemental administrative expense assessments must be paid by the membership group in a manner determined by the board of trustees of the respective teachers retirement association.

(e) The supplemental administrative expense assessments must be deposited in the applicable teachers retirement fund upon receipt.

(f) Any omitted active membership group assessments that remain undeducted and unpaid to the teachers retirement fund association for 90 days must be paid by the respective school district. The school district may recover any omitted active membership group assessment amounts that it has previously paid. The teachers retirement fund association shall deduct any omitted retired membership group assessment amounts from the benefits next payable after the discovery of the omitted amounts.

Sec. 7. [354A.28] [MODIFICATION IN MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION POST RETIREMENT ADJUSTMENT.]

Subdivision 1. [POST RETIREMENT ADJUSTMENT MODIFICATION.] Any post retirement adjustment payable from the Minneapolis teachers retirement fund association after June 1, 1993, must be modified as provided in this section.

Subd. 2. [ESTABLISHMENT.] The Minneapolis teachers retirement fund association shall establish an annuity reserve fund for providing an investment vehicle for the reserves for various retirement annuities and benefits payable by the fund.

Subd. 3. [ASSETS.] The assets of the annuity reserve fund consist of the money representing the actuarially determined required reserves for various retirement annuities and benefits payable by the Minneapolis teachers retirement fund association.

Subd. 4. [MANAGEMENT.] The Minneapolis teachers retirement fund association annuity reserve fund must be managed by the board of trustees of the Minneapolis teachers retirement fund association.

Subd. 5. [INVESTMENT.] The assets of the annuity reserve fund must be invested, reinvested, and retained in the discretion of the board of trustees of the Minneapolis teachers retirement fund association in authorized investments under section 11A.24.

Subd. 6. [ALLOCATION OF ASSETS.] No later than the last business day of the month in which the benefit payment begins, the board of trustees of the

Minneapolis teachers retirement fund association shall determine the reserves to be allocated to the respective annuity reserve fund in the following manner:

(1) the present value of the benefit payable to the annuitant or benefit recipient must be determined using the postretirement earnings assumptions specified for the first class city teachers retirement funds in section 356.215; and the mortality table applicable to the fund; and

(2) the amount determined in clause (1) must be multiplied by the funding ratio of the teachers retirement fund association determined for the previous fiscal year end, and the product must be identified as the amount allocated to the annuity reserve fund.

Subd. 7. [WITHDRAWAL OF MONEY.] If the executive director of the Minneapolis teachers retirement fund association concludes that money is required for the payment of retirement annuities or benefits, the executive director shall sell sufficient securities in the reserve fund or transfer available cash to pay benefits.

Subd. 8. [CALCULATION OF POSTRETIREMENT ADJUSTMENTS.] (a) Annually, after June 30, the board of trustees of the Minneapolis teachers retirement fund association shall use the procedures in this subdivision and subdivision 9 to determine the amount of any postretirement adjustment. The authority to pay the automatic two percent annual postretirement increase as specified in the articles and bylaws continues.

Subd. 9. [ADDITIONAL INCREASE.] (a) In addition to the postretirement increases granted under subdivision 8, an additional percentage increase must be computed and paid under this subdivision.

(b) The board of trustees shall determine the number of annuities or benefit recipients who have been receiving an annuity or benefit for at least 12 months as of the current June 30. These recipients are entitled to receive the surplus investment earnings additional postretirement increase.

(c) Annually, on June 30, the board of trustees of the teachers retirement fund association shall determine the amount of reserves in the annuity reserve fund as specified in subdivision 6.

(d) Annually, on June 30, the board of trustees of the Minneapolis teachers retirement fund association shall determine the five-year annualized rate of return attributable to the assets in the annuity reserve fund under the formula or formulas specified in section 11A.04, clause (11).

(e) The board of trustees shall determine the amount of excess five-year annualized rate of return over the preretirement interest assumption as specified in section 356.215.

(f) The additional increase must be determined by multiplying the quantity one minus the rate of contribution deficiency, as specified in the most recent actuarial report of the actuary retained by the legislative commission on pensions and retirement, times the rate of return excess as determined in paragraph (e).

(g) The additional increase is payable to all eligible annuitants or benefit recipients on January 1 following the June 30 determination date under paragraphs (c) and (d).

Sec. 8. [354A.29] [MODIFICATION IN THE ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION POST RETIREMENT ADJUSTMENT.]

Subdivision 1. [POST RETIREMENT ADJUSTMENT MODIFICATION.] Any post retirement adjustment payable from the St. Paul teachers retirement fund association after June 1, 1993, must be modified as provided in this section.

Subd. 2. [ESTABLISHMENT.] The St. Paul teachers retirement fund association shall establish an annuity reserve fund for providing an investment vehicle for the reserves for various retirement annuities and benefits payable by the fund.

Subd. 3. [ASSETS.] The assets of the annuity reserve fund must consist of the money representing the actuarially determined required reserves for various retirement annuities and benefits payable by the St. Paul teachers retirement fund association.

Subd. 4. [MANAGEMENT.] The St. Paul teachers retirement fund association annuity reserve fund must be managed by the board of trustees of the St. Paul teachers retirement fund association.

Subd. 5. [INVESTMENT.] The assets of the annuity reserve fund must be invested, reinvested, and retained in the discretion of the board of trustees of the St. Paul teachers retirement fund association in authorized investments under section 11A.24.

Subd. 6. [ALLOCATION OF ASSETS.] No later than the last business day of the month in which the benefit payment begins, the board of trustees of the St. Paul teachers retirement fund association shall determine the reserves to be allocated to the respective annuity reserve fund in the following manner:

(1) the present value of the benefit payable to the annuitant or benefit recipient must be determined using the postretirement earnings assumptions specified for the first-class city teachers retirement funds in section 356.215, and the mortality table applicable to the fund; and

(2) the amount determined in clause (1) must be multiplied by the funding ratio of the St. Paul teachers retirement fund association determined for the previous fiscal year end, and the product must be identified as the amount allocated to the annuity reserve fund.

Subd. 7. [WITHDRAWAL OF MONEY.] If the executive secretary of the St. Paul teachers retirement fund association concludes that money is required for the payment of retirement annuities or benefits, the executive secretary or director shall sell sufficient securities in the reserve fund or transfer available cash to pay benefits.

Subd. 8. [CALCULATION OF POSTRETIREMENT ADJUSTMENTS.]
(a) Annually, following June 30, the board of trustees of the St. Paul teachers retirement fund association shall use the procedures in this subdivision and subdivision 9 to determine the amount of any postretirement adjustment. An amount equal to two percent of the market value of the annuity reserve fund must be allocated to pay the lump sum postretirement adjustment in the manner specified in the articles and bylaws of the association of the St. Paul teachers retirement fund association in effect on the effective date of this section applicable to the 13th check.

Subd. 9. [ADDITIONAL INCREASE.] (a) In addition to the postretirement increases granted under subdivision 8, an additional percentage increase must be computed and paid under this subdivision.

(b) The board of trustees shall determine the number of annuities or benefit recipients who have been receiving an annuity or benefit for at least 12 months as of the current June 30. These recipients are entitled to receive the surplus investment earnings additional postretirement increase.

(c) Annually, on June 30, the board of trustees of the St. Paul teachers retirement fund association shall determine the amount of reserves in the annuity reserve fund as specified in subdivision 6.

(d) Annually, on June 30, the board of trustees of the St. Paul teachers retirement fund association shall determine the five-year annualized rate of return attributable to the assets in the annuity reserve fund under the formula or formulas specified in section 11A.04, clause (11).

(e) The board of trustees shall determine the amount of excess five-year annualized rate of return over the preretirement interest assumption as specified in section 356.215.

(f) The additional increase must be determined by multiplying the quantity one minus the rate of contribution deficiency, as specified in the most recent actuarial report of the actuary retained by the legislative commission on pensions and retirement, times the rate of return excess as determined in paragraph (e).

(g) The additional increase is payable to all eligible annuitants or benefit recipients on January 1 following the June 30 determination date under paragraphs (c) and (d).

Sec. 9. Laws 1959, chapter 462, section 3, subdivision 4, is amended to read:

Subd. 4. The school district shall contract with the City of Minneapolis for such facilities and necessary services as are furnished by the Civil Service Commission, and unless the Board of Education and city governing body each adopts a resolution declaring that a particular function would be most efficiently and effectively handled separately, the board shall may contract on a pro-rata cost basis with the city for such facilities and services as are provided by the Purchasing Department, comptroller, treasurer, legal department, City Planning Commission, and other services supplied by such city, provided, however, that the board may contract for other legal services when the interest of the school district and the city are in conflict in any legal matter.

Sec. 10. [STUDY OF TEACHERS RETIREMENT FUND ASSOCIATIONS PHASE-OUT OR CONSOLIDATION OPTIONS.]

(a) The legislative commission on pensions and retirement shall study the options available for phasing-out or consolidating the first class city teacher retirement fund associations. The commission shall report its conclusions by February 1, 1994, to the chairs of the committee on governmental operations and reform of the senate, the committee on finance of the senate, the committee on governmental operations and gambling of the house of representatives, and the committee on ways and means of the house of representatives.

(b) The legislative commission on pensions and retirement shall establish a technical advisory group for the study composed of the commission staff, the directors of the first class city teacher retirement funds, a representative of the teacher bargaining unit of the respective school districts, a representative of each school district, and a representative of the department of finance. Each bargaining unit and school district shall notify the chair of the legislative commission on pensions and retirement of its designation of a representative.

(c) The executive director of the teachers retirement association and an employee representative to be selected by the board of the teachers retirement association must be members of the technical advisory group in paragraph (b). The board shall notify the chair of the legislative commission on pensions and retirement of its designation of an employee representative.

Sec. 11. [REPEALER.]

Laws 1987, chapter 372, article 3, section 1, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 5, 8, 10, and 11 are effective on July 1, 1993. Sections 6 and 7 are effective for the Minneapolis teachers retirement fund association the day following first receipt of contributions from special school district No. 1, the city of Minneapolis, and matching state contributions under section 4. Section 6 is effective for the St. Paul teachers retirement fund association on July 1, 1993. Section 9 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; Minneapolis and St. Paul teacher retirement fund associations; providing additional funding from various sources; assessing active and retired members for certain teacher retirement fund associations supplemental administrative expenses; modifying certain post retirement adjustments; authorizing contributions by the city of Minneapolis; appropriating money; authorizing certain tax levies by special school district No. 1; amending Minnesota Statutes 1992, sections 354A.12, subdivisions 2, 2a, and by adding subdivisions; and Laws 1959, chapter 462, section 3, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1987, chapter 372, article 3, section 1."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred.

S.F. No. 529: A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt rules allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of city's and town's efforts to comply with the allocation; establishing penalties for noncompliance; proposing coding for new law in Minnesota Statutes, chapters 16A; and 473.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 529 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Novak moved that H.F. No. 671 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 529, now on General Orders. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Kelly, Ms. Reichgott, Kiscaden and Mr. Day introduced—

S.F. No. 1628: A bill for an act relating to courts; juvenile courts; requiring reasonable efforts by a parent, guardian, or custodian in various circumstances; amending Minnesota Statutes 1992, sections 260.171, subdivision 1; 260.172, subdivision 1; and 260.221, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 260.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Johnson, D.J. was excused from the Session of today. Ms. Berglin and Wiener were excused from the Session of today from 8:30 to 9:00 a.m. Messrs. Laidig and Lessard were excused from the Session of today from 8:30 to 9:15 a.m. Ms. Olson was excused from the Session of today from 8:30 to 9:30 a.m. and 1:30 to 1:45 p.m. Mr. Novak was excused from the Session of today from 8:30 to 9:30 a.m. Mr. Janezich, Ms. Krentz and Pappas were excused from the Session of today from 8:30 to 10:00 a.m. Mr. Mondale was excused from the Session of today from 8:30 to 9:40 a.m. Mr. Cohen was excused from the Session of today from 8:30 to 10:15 a.m. Mr. Beckman was excused from the Session of today from 8:30 to 10:30 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 11:15 a.m. Mr. Terwilliger was excused from the Session of today from 11:30 a.m. to 1:30 p.m. Mr. Lessard was excused from the Session of today from 11:30 a.m. to 12:00 noon. Mr. Price was excused from the Session of today from 12:15 to 12:45 p.m. Mr. Johnson, D.E. was excused from the Session of today from 12:30 to 1:00 p.m. Mr. Bertram was excused from the Session of today from 11:20 to 11:45 a.m. Mr. Samuelson was excused from the Session of today at 12:00 noon. Ms. Hanson was excused from the Session of today from 1:20 to 2:00 p.m. Mr. Kelly, Ms. Anderson and Johnson, J.B. were excused from the Session of today from 11:00 a.m. to 12:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Friday, May 7, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-THIRD DAY

St. Paul, Minnesota, Friday, May 7, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Bishop David W. Preus.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 5, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 397, 737 and 1466.

Warmest regards,
Arne H. Carlson, Governor

May 6, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	1122	83	6:18 p.m. May 5	May 6
	1428	84	6:25 p.m. May 5	May 6
737		85	6:12 p.m. May 5	May 6
	667	86	6:15 p.m. May 5	May 6
	1424	87	6:22 p.m. May 5	May 6
	945	88	6:18 p.m. May 5	May 6
	768	89	6:15 p.m. May 5	May 6
	893	90	6:17 p.m. May 5	May 6
	1153	91	6:20 p.m. May 5	May 6
397		92	6:10 p.m. May 5	May 6
	51	93	6:13 p.m. May 5	May 6
	1404	94	6:20 p.m. May 5	May 6
1466		104	6:13 p.m. May 5	May 6

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 Files, herewith returned: S.F. Nos. 550, 470, 629, 403 and 741.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1315: A bill for an act relating to burial grounds; creating a council of traditional Indian practitioners to make recommendations regarding the management, treatment, and protection of Indian burial grounds and of human

remains or artifacts contained in or removed from those grounds; proposing coding for new law in Minnesota Statutes, chapter 307.

There has been appointed as such committee on the part of the House:

Clark, Pugh and Bishop.

Senate File No. 1315 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1503, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1503: A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

Senate File No. 1503 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 373, 1081, 192, 543 and 623.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 373: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1992, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 891.

H.F. No. 1081: A bill for an act relating to commerce; regulating collection agencies; modifying prohibited practices; requiring notification to the commissioner upon certain employee terminations; repealing inconsistent surety bond and term and fee rules; regulating credit services organizations; modifying registration and bond requirements; modifying enforcement powers; amending Minnesota Statutes 1992, sections 332.37; 332.54, subdivision 1, and by adding subdivisions; 332.55; and 332.59; proposing coding for new law in Minnesota Statutes, chapter 332; repealing Minnesota Rules, parts 2870.1300; and 2870.1600.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1597, now on General Orders.

H.F. No. 192: A bill for an act relating to state heating plant facilities; prohibiting state permits for expansion or enhancement of coal-fired steam heating facilities within a certain portion of the Mississippi river critical area; providing continued coverage in the Minnesota state retirement system for certain employees affected by changes in the operation of heating facilities; amending Minnesota Statutes 1992, sections 352.01, subdivision 2a; and 352.04, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 116G.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 255, now on General Orders.

H.F. No. 543: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in Cook county; correcting the legal description of the state land to be sold in Anoka county; amending Laws 1989, chapter 150, section 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 388, now on General Orders.

H.F. No. 623: A bill for an act relating to transportation; including in state transportation plan and development guide certain matters relating to metropolitan area; prohibiting federal block grant funds from being spent on trunk highways unless ancillary to public transit facilities; requiring compliance with comprehensive choice housing requirements before metropolitan council may approve proposed highway project or plan; adding metropolitan transit goals; amending Minnesota Statutes 1992, sections 174.03, subdivision 1a; 473.146, subdivision 3; 473.167, by adding a subdivision; and 473.371; proposing coding for new law in Minnesota Statutes, chapter 174.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 474, now on General Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 199 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
199	112				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 199 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 199 and insert the language after the enacting clause of S.F. No. 112, the first engrossment; further, delete the title of H.F. No. 199 and insert the title of S.F. No. 112, the first engrossment.

And when so amended H.F. No. 199 will be identical to S.F. No. 112, and further recommends that H.F. No. 199 be given its second reading and substituted for S.F. No. 112, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1245 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1245	976				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1245 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1245 and insert the language after the enacting clause of S.F. No. 976, the first engrossment; further, delete the title of H.F. No. 1245 and insert the title of S.F. No. 976, the first engrossment.

And when so amended H.F. No. 1245 will be identical to S.F. No. 976, and further recommends that H.F. No. 1245 be given its second reading and substituted for S.F. No. 976, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 327 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
327		13			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 327 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 327 and insert the language after the enacting clause of S.F. No. 13, the first engrossment; further, delete the title of H.F. No. 327 and insert the title of S.F. No. 13, the first engrossment.

And when so amended H.F. No. 327 will be identical to S.F. No. 13, and further recommends that H.F. No. 327 be given its second reading and substituted for S.F. No. 13, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 199, 1245 and 327 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Johnson, J.B. moved that the name of Mr. Marty be added as a co-author to S.F. No. 788. The motion prevailed.

Mr. Morse moved that the name of Ms. Piper be added as a co-author to S.F. No. 1138. The motion prevailed.

Mr. Langseth moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 1193. The motion prevailed.

Mr. Morse moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1570. The motion prevailed.

Mr. Luther moved that H.F. No. 1274 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 1274: A bill for an act relating to veterans; authorizing the legislature to hear and determine claims by patients at the Minnesota veterans homes; amending Minnesota Statutes 1992, section 3.738, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Robertson
Belanger	Dille	Krentz	Morse	Spear
Benson, D.D.	Finn	Laidig	Murphy	Stevens
Benson, J.E.	Flynn	Langseth	Neuville	Terwilliger
Berg	Frederickson	Larson	Oliver	Vickerman
Berglin	Hanson	Lesewski	Olson	Wiener
Bertram	Hottinger	Lessard	Pariseau	
Betzold	Johnson, D.E.	Luther	Piper	
Chandler	Johnson, J.B.	Marty	Price	
Chmielewski	Johnston	McGowan	Ranum	

Ms. Runbeck voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1039 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1039: A bill for an act relating to auctioneers; prohibiting certain cities and towns from requiring additional licenses of persons licensed as auctioneers by a county; proposing coding for new law in Minnesota Statutes, chapter 330.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	McGowan	Ranum
Belanger	Dille	Knutson	Moe, R.D.	Robertson
Benson, D.D.	Finn	Krentz	Morse	Runbeck
Benson, J.E.	Flynn	Laidig	Murphy	Sams
Berg	Frederickson	Langseth	Neuville	Spear
Berglin	Hanson	Larson	Oliver	Stevens
Bertram	Hottinger	Lesewski	Olson	Stumpf
Betzold	Johnson, D.E.	Lessard	Pariseau	Terwilliger
Chandler	Johnson, J.B.	Luther	Piper	Vickerman
Chmielewski	Johnston	Marty	Price	Wiener

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 384: A bill for an act relating to creditors remedies; regulating executions and garnishments; providing that executions and garnishments on

child support judgments are effective until the judgments are satisfied; exempting child support payments from execution; amending Minnesota Statutes 1992, sections 550.135, subdivision 10; 550.136, subdivisions 3, 4, and 5; 550.143, subdivision 3; 550.37, subdivision 15; 551.04, subdivisions 2 and 11; 551.05, subdivision 1a; 551.06, subdivisions 3, 4, and 5; 570.025, subdivision 6; 570.026, subdivision 2; 571.72, subdivision 7; 571.73, subdivision 3; 571.912; 571.922; and 571.923.

Senate File No. 384 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 384 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 384 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Runbeck
Anderson	Dille	Laidig	Murphy	Sams
Belanger	Finn	Langseth	Neuville	Spear
Benson, D.D.	Flynn	Larson	Oliver	Stevens
Benson, J.E.	Frederickson	Lesewski	Olson	Stumpf
Berg	Hottinger	Lessard	Pariseau	Terwilliger
Berglin	Johnson, J.B.	Luther	Piper	Vickerman
Bertram	Johnston	Marty	Price	Wiener
Betzold	Kiscaden	McGowan	Ranum	
Chmielewski	Knutson	Moe, R.D.	Robertson	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 4 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 4: A bill for an act relating to retirement; providing an open appropriation for payment of state reimbursement for supplemental retirement benefits paid to volunteer firefighters; amending Minnesota Statutes 1992, section 424A.10, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Sams
Anderson	Dille	Krentz	Murphy	Spear
Belanger	Finn	Laidig	Neuville	Stevens
Benson, D.D.	Flynn	Langseth	Oliver	Stumpf
Benson, J.E.	Frederickson	Larson	Olson	Terwilliger
Berg	Hanson	Lesewski	Pariseau	Vickerman
Berglin	Hottinger	Lessard	Piper	Wiener
Bertram	Johnson, D.E.	Luther	Price	
Betzold	Johnson, J.B.	Marty	Ranum	
Chandler	Johnston	McGowan	Robertson	
Chmielewski	Kiscaden	Moe, R.D.	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1101 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1101: A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing cease and desist orders; providing for penalties; appropriating money; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; and 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chandler	Johnston	Marty	Ranum
Anderson	Chmielewski	Kiscaden	McGowan	Robertson
Belanger	Day	Knutson	Moe, R.D.	Sams
Benson, D.D.	Dille	Krentz	Morse	Spear
Benson, J.E.	Finn	Laidig	Murphy	Stevens
Berg	Flynn	Larson	Neuville	Stumpf
Berglin	Frederickson	Lesewski	Oliver	Terwilliger
Bertram	Hanson	Lessard	Piper	Vickerman
Betzold	Johnson, J.B.	Luther	Price	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 760 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 760: A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge contributions, and sell advertising; appropriating money; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, J.B.	Marty	Ranum
Anderson	Day	Johnston	Moe, R.D.	Robertson
Belanger	Dille	Kiscaden	Mondale	Runbeck
Benson, D.D.	Finn	Knutson	Morse	Sams
Benson, J.E.	Flynn	Krentz	Murphy	Spear
Berg	Frederickson	Laidig	Neuville	Stevens
Berglin	Hanson	Langseth	Olson	Stumpf
Bertram	Hottinger	Larson	Pariseau	Terwilliger
Betzold	Janezich	Lessard	Piper	Vickerman
Chandler	Johnson, D.E.	Luther	Price	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 498 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 498: A bill for an act relating to St. Louis county; solid waste management; clarifying St. Louis county contracting authority to include management operations; modifying contracting procedure; amending Minnesota Statutes 1992, section 383C.807, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Day	Johnston	Marty	Price
Belanger	Dille	Kiscaden	Moe, R.D.	Ranum
Benson, D.D.	Finn	Knutson	Mondale	Robertson
Benson, J.E.	Flynn	Krentz	Morse	Runbeck
Berg	Frederickson	Laidig	Murphy	Sams
Berglin	Hanson	Langseth	Neuville	Spear
Bertram	Hottinger	Larson	Oliver	Stumpf
Betzold	Janezich	Lesewski	Olson	Terwilliger
Chandler	Johnson, D.E.	Lessard	Pariseau	Vickerman
Chmielewski	Johnson, J.B.	Luther	Piper	Wiener

Mr. Stevens voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 259 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 259: A bill for an act relating to local government; providing for the publication of certain accounts and delinquent property tax information; amending Minnesota Statutes 1992, sections 281.13; 281.23, subdivision 3; and 375.17.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Murphy	Sams
Anderson	Finn	Laidig	Neuville	Spear
Belanger	Flynn	Langseth	Oliver	Stevens
Benson, J.E.	Hanson	Larson	Olson	Stumpf
Berg	Hottinger	Lessard	Pariseau	Vickerman
Berglin	Janezich	Luther	Piper	Wiener
Bertram	Johnson, J.B.	Marty	Price	
Betzold	Johnston	Moe, R.D.	Ranum	
Chmielewski	Kiscaden	Mondale	Robertson	
Day	Knutson	Morse	Runbeck	

Messrs. Benson, D.D.; Frederickson; Ms. Lesewski and Mr. Terwilliger voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 162 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 162: A bill for an act relating to retirement; increasing the individual retirement account plans employer contribution rate; amending Minnesota Statutes 1992, section 354B.04, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 354B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnston	Moe, R.D.	Robertson
Anderson	Day	Kiscaden	Mondale	Runbeck
Beckman	Dille	Knutson	Morse	Sams
Belanger	Finn	Krentz	Murphy	Spear
Benson, D.D.	Flynn	Laidig	Neuville	Stevens
Benson, J.E.	Frederickson	Langseth	Oliver	Stumpf
Berg	Hanson	Larson	Olson	Terwilliger
Berglin	Hottinger	Lesewski	Pariseau	Vickerman
Bertram	Janezich	Lessard	Piper	Wiener
Betzold	Johnson, D.E.	Luther	Price	
Chandler	Johnson, J.B.	Marty	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1472 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1472: A bill for an act relating to economic development; limiting certain daily payments; amending Minnesota Statutes 1992, section 469.011, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnston	Moe, R.D.	Robertson
Anderson	Day	Kiscaden	Mondale	Runbeck
Beckman	Dille	Knutson	Morse	Sams
Belanger	Finn	Krentz	Murphy	Spear
Benson, D.D.	Flynn	Laidig	Neuville	Stevens
Benson, J.E.	Frederickson	Langseth	Oliver	Stumpf
Berg	Hanson	Larson	Olson	Terwilliger
Berglin	Hottinger	Lesewski	Pariseau	Vickerman
Bertram	Janezich	Lessard	Piper	Wiener
Betzold	Johnson, D.E.	Luther	Price	
Chandler	Johnson, J.B.	Marty	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 993 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 993: A bill for an act relating to public safety; allowing social security numbers of commercial drivers to be provided to the federal commercial driver license information system; allowing person whose vehicle license plates are impounded to designate a licensed driver for the purpose of obtaining special series license plates; prohibiting person whose license plates are impounded from purchasing a motor vehicle under certain conditions; clarifying driver's license classification provisions; imposing fee for duplicate identification card; requiring application for duplicate identification card when certain information changes; including certain traffic offenses as being serious violations when committed by commercial vehicle drivers; providing for driver's license reinstatement fees; amending Minnesota Statutes 1992, sections 13.69, subdivision 1; 168.042, subdivision 12, and by adding a subdivision; 171.02, subdivision 2; 171.06, subdivision 2; 171.11; 171.165, subdivision 4; and 171.29, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Samuelson
Anderson	Dille	Krentz	Murphy	Solon
Beckman	Finn	Laidig	Neuville	Spear
Belanger	Flynn	Langseth	Oliver	Stevens
Benson, D.D.	Frederickson	Larson	Olson	Stumpf
Benson, J.E.	Hanson	Lesewski	Pariseau	Terwilliger
Berg	Hottinger	Lessard	Piper	Vickerman
Berglin	Janezich	Luther	Price	Wiener
Bertram	Johnson, D.E.	Marty	Ranum	
Betzold	Johnson, J.B.	McGowan	Robertson	
Chandler	Johnston	Moe, R.D.	Runbeck	
Chmielewski	Kiscaden	Mondale	Sams	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1403 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1403: A bill for an act relating to utilities; expanding duties of chair of public utilities commission; amending Minnesota Statutes 1992, section 216A.03, subdivision 3a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Laidig	Murphy	Runbeck
Beckman	Flynn	Langseth	Neuville	Sams
Bclanger	Frederickson	Larson	Oliver	Samuelson
Benson, J.E.	Hanson	Lesewski	Olson	Solon
Berg	Hottinger	Lessard	Pariseau	Spear
Berglin	Janezich	Luther	Piper	Stevens
Bertram	Johnson, D.E.	Marty	Price	Stumpf
Betzold	Johnston	McGowan	Ranum	Terwilliger
Chandler	Kiscaden	Moe, R.D.	Reichgott	Vickerman
Chmielewski	Knutson	Mondale	Riveness	Wiener
Day	Krentz	Morse	Robertson	

Ms. Anderson, Mr. Finn and Ms. Johnson, J.B. voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1418 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1418: A bill for an act relating to state government; public employment; establishing a pilot project in certain entities; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

Mr. Moe, R.D. moved to amend S.F. No. 1418 as follows:

Page 3, after line 21, insert:

“Subd. 6. [PILOT PROJECTS.] The commissioner of employee relations shall meet and confer with affected exclusive representatives of state employees to design pilot projects that will improve human resource practices in the state civil service within executive branch agencies. To further projects under this subdivision, the commissioner shall convene a task force to propose and review pilot projects affecting employees and positions represented by exclusive representatives. The task force must consist of a representative of each of the ten exclusive representatives of employees in the executive branch, selected by the exclusive representatives, and no more than an equal number of management-level employees selected by the commissioner. The task force shall consider projects to improve human resource practices and may also consider innovative projects that introduce total quality management prac-

tices or that empower employees in the workplace. The impact of job security and retraining efforts in the organization of work may also be examined, as well as any other practices, procedures, or theories designed to improve service to the customers of state agencies and to taxpayers in general. For projects conducted in particular departments or agencies or affecting only employees represented by one or more exclusive representatives, the task force shall designate a pilot project team of affected parties made up equally of representatives of exclusive representatives and management-level employees. The task force or project teams may also involve or consult with representatives of other affected groups as necessary. If the task force determines that a project could be implemented only by waiving any civil service rule, the task force may request the commissioner to grant a waiver. The commissioner may grant the waiver, subject to the limitations in subdivision 4, paragraph (b). The task force shall measure and monitor the results of a project conducted under a waiver. The commissioner shall notify the legislative commission on employee relations before conducting any projects under this subdivision and shall report any results from these projects to the commission by September 1, 1993, September 1, 1994, and September 1, 1995. This subdivision is repealed June 30, 1995."

Amend the title as follows:

Page 1, line 6, before the period, insert “; requiring the commissioner of employee relations to conduct experimental or research projects to improve human resource management practices”

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. then moved that H.F. No. 1418 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1114 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1114: A bill for an act relating to game and fish; stamp design; training of hunting dogs; clothing requirements; raccoon season; rough fish taking by nonresidents; muskie size limits; taking of mussels; advance of matching funds; financing waterfowl development; defining “undressed bird”; regulating the taking of deer; regulating seasons on muskrat, mink, otter, and beaver; required license to take and condition of fish brought into the state from Canada; authorizing suspension of requirements upon action by Canadian authorities; amending Minnesota Statutes 1992, sections 84.085, by adding a subdivision; 97A.015, subdivision 49, and by adding a subdivision; 97A.045, subdivision 7; 97A.091, subdivision 2; 97A.531; 97B.005, subdivisions 2 and 3; 97B.041; 97B.071; 97B.621, subdivision 1; 97B.911; 97B.915; 97B.921; 97B.925; 97C.375; 97C.405; and 97C.701, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1992, sections 97A.541; 97C.701, subdivisions 3, 4, and 5; 97C.705; and 97C.711.

Mr. Samuelson moved to amend H.F. No. 1114, as amended pursuant to Rule 49, adopted by the Senate May 6, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 669.)

Page 2, after line 8, insert:

“Sec. 2. Minnesota Statutes 1992, section 86B.101, subdivision 2, is amended to read:

Subd. 2. [YOUTH WATERCRAFT SAFETY COURSE.] (a) The commissioner shall establish an educational course and a testing program for watercraft operators and for persons age ~~13~~ 12 or older but younger than age 18 required to take the watercraft safety course. The commissioner shall prescribe a written test as part of the course.

(b) The commissioner shall issue a watercraft operator's permit to a person age ~~13~~ 12 or older but younger than age 18 who successfully completes the educational program and the written test.

Sec. 3. Minnesota Statutes 1992, section 86B.305, subdivision 1, is amended to read:

Subdivision 1. [UNDER AGE ~~13~~ 12.] Except in case of an emergency, a person under age ~~13~~ 12 may not operate or be allowed to operate a watercraft propelled by a motor with a factory rating of more than 24 horsepower unless there is present in the watercraft, in addition to the operator, the operator's parent or legal guardian or at least one person of the age 18 or older.

Sec. 4. Minnesota Statutes 1992, section 86B.305, subdivision 2, is amended to read:

Subd. 2. [AGE ~~13~~ 12 TO 17; PERMIT REQUIRED.] Except as provided in this subdivision, a person age ~~13~~ 12 or older and younger than age 18 may not operate a motorboat powered by a motor over 24 horsepower without possessing a valid watercraft operator's permit from this state or from the operator's state of residence unless there is a person age 18 or older in the motorboat.”

Page 9, after line 5, insert:

“Sec. 31. [EFFECTIVE DATE.]

Sections 2 to 4 are effective June 1, 1993.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1114, as amended pursuant to Rule 49, adopted by the Senate May 6, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 669.)

Page 7, after line 27, insert:

“Sec. 21. Minnesota Statutes 1992, section 97C.081, is amended by adding a subdivision to read:

Subd. 4. [ICE FISHING CONTEST IN CONJUNCTION WITH RAFFLE.] *An organization that is permitted under this section, is licensed by the lawful gambling control board to conduct raffles, and is located in Hubbard, Cass, Crow Wing, Koochiching, or St. Louis county, may conduct a raffle in conjunction with an ice fishing contest. The organization may sell a combined*

ticket for a single price for the ice fishing contest and raffle. All other provisions of sections 349.11 to 349.23 apply to the raffle."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 7, after the first semicolon, insert "ice fishing contests in conjunction with raffles;"

Page 1, line 17, after the first semicolon, insert "97C.081, by adding a subdivision;"

Mr. Berg questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Vickerman moved to amend the Finn amendment to H.F. No. 1114 as follows:

Page 1, line 10, delete the comma and insert "and"

Page 1, line 12, delete everything after "raffles"

Page 1, line 13, delete everything before "may"

Mr. Berg questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Vickerman amendment to the Finn amendment. The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Finn amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 1114 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Mondale	Riveness
Anderson	Dille	Kroening	Morse	Robertson
Beckman	Finn	Laidig	Murphy	Runbeck
Belanger	Flynn	Larson	Neuville	Sams
Benson, D.D.	Frederickson	Lesewski	Novak	Samuelson
Benson, J.E.	Hanson	Lessard	Oliver	Solon
Berg	Hottinger	Luther	Olson	Spear
Berglin	Johnson, D.E.	Marty	Pariseau	Stevens
Bertram	Johnston, J.B.	McGowan	Piper	Stumpf
Betzold	Johnston	Merriam	Pogemiller	Terwilliger
Chandler	Kiscaden	Metzen	Ranum	Vickerman
Chmielewski	Knutson	Moe, R.D.	Reichgott	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 931 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 931: A bill for an act relating to motor fuels; increasing minimum

oxygen content in certain areas at certain times; amending Minnesota Statutes 1992, section 239.791, subdivisions 1 and 2.

Mr. Merriam moved to amend H.F. No. 931, as amended pursuant to Rule 49, adopted by the Senate May 5, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 771.)

Page 1, line 19, strike "at any time" and after "area" insert "*not during a carbon monoxide control period*"

Page 1, line 20, reinstate the stricken "two" and delete "2.7"

Page 1, line 21, strike "After" and insert "*Beginning*"

Page 1, line 22, after "Minnesota" insert ":

(1) *from October 1 to May 1, must contain at least 2.7 percent oxygen by weight; and*

(2) *at other times,*" and reinstate the stricken "two" and delete "2.7"

CALL OF THE SENATE

Mr. Morse imposed a call of the Senate for the balance of the proceedings on H.F. No. 931. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Kroening	Mondale	Ranum	Spear
Benson, J.E.	Lessard	Novak	Reichgott	Wiener
Betzold	Luther	Oliver	Riveness	
Chandler	Marty	Olson	Robertson	
Johnston	Merriam	Pariseau	Runbeck	
Knutson	Metzen	Price	Solon	

Those who voted in the negative were:

Adkins	Day	Johnson, D.E.	Lesewski	Pogemiller
Beckman	Dille	Johnson, D.J.	McGowan	Sams
Belanger	Finn	Johnson, J.B.	Moe, R.D.	Samuelson
Benson, D.D.	Flynn	Kelly	Morse	Stevens
Berg	Frederickson	Kiscaden	Murphy	Stumpf
Berglin	Hanson	Laidig	Neuville	Terwilliger
Bertram	Hottinger	Langseth	Pappas	Vickerman
Chmielewski	Janezich	Larson	Piper	

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.J. moved to amend H.F. No. 931, as amended pursuant to Rule 49, adopted by the Senate May 5, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 771.)

Page 2, line 8, delete "AGRICULTURAL PROCESSING" and insert "ETHANOL PRODUCTION"

Page 2, line 11, delete everything after "for" and insert "*production of ethanol*"

Page 2, line 12, delete "*products*"

Page 2, delete line 14 and insert "*production of ethanol.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 931 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	McGowan	Ranum
Anderson	Dille	Kiscaden	Metzen	Reichgott
Beckman	Finn	Knutson	Moe, R.D.	Riveness
Belanger	Flynn	Krentz	Mondale	Sams
Benson, D.D.	Frederickson	Kroening	Morse	Samuelson
Benson, J.E.	Hanson	Laidig	Murphy	Solon
Berg	Hottinger	Langseth	Neuville	Spear
Berglin	Janezich	Larson	Novak	Stevens
Bertram	Johnson, D.E.	Lesewski	Olson	Stumpf
Betzold	Johnson, D.J.	Lessard	Pappas	Terwilliger
Chandler	Johnson, J.B.	Luther	Piper	Vickerman
Chmielewski	Johnston	Marty	Price	Wiener

Messrs. Merriam, Oliver, Mses. Robertson and Runbeck voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1570 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1570

A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3,

and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

May 6, 1993

The Honorable Allan H. Spear
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1570, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1570 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [ENVIRONMENT AND NATURAL RESOURCES; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1993,” “1994,” and “1995,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1994	1995	TOTAL
General \$	\$147,433,000	\$143,836,000	\$291,269,000
Environmental	29,568,000	30,028,000	59,596,000
Metro Landfill			
Contingency Trust	797,000	797,000	1,594,000
Special Revenue	10,316,000	10,351,000	20,667,000
Natural Resources	18,066,000	17,547,000	35,613,000
Game and Fish	52,110,000	53,201,000	105,311,000
Permanent School Trust	374,000	104,000	478,000
Minnesota Resources	14,662,000		14,662,000
Environmental Trust	24,600,000		24,600,000
Oil Overcharge	2,012,000		2,012,000
TOTAL	299,938,000	255,864,000	555,802,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 2. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation	38,888,000	37,140,000
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Summary by Fund

General	9,230,000	6,822,000
Environmental	28,006,000	28,666,000
Metro Landfill		
Contingency	797,000	797,000
Special Revenue	855,000	855,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Water Pollution Control

7,865,000 5,418,000

Summary by Fund

General	5,873,000	3,426,000
Environmental	1,992,000	1,992,000

\$1,946,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$500,000 the first year is appropriated for Minnesota's contribution to the Great Lakes Protection Fund. This is the final payment of a \$1,500,000 obligation.

General fund money appropriated for the nonpoint source pollution Minnesota River project must be matched by federal dollars.

Subd. 3. Air Pollution Control

6,222,000 6,398,000

Summary by Fund

Environmental	5,367,000	5,543,000
Special Revenue	855,000	855,000

Subd. 4. Groundwater and Solid Waste Pollution Control

13,137,000 13,329,000

Summary by Fund

Environmental	12,348,000	12,540,000
Metro Landfill		
Contingency	789,000	789,000

All money in the environmental response, compensation, and compliance account in

the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 1995.

\$3,800,000 the first year and \$4,000,000 the second year is from the landfill cleanup account in the environmental fund for the purposes specified in Minnesota Statutes, section 115B.42. This appropriation may be used for staff costs related to response actions at landfills under Minnesota Statutes, chapter 115B.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council shall report to the legislative commission on waste management its budget and work program for spending this appropriation.

The commissioner of the pollution control agency shall evaluate the feasibility of using a 900 telephone number as a means of ensuring that the agency recovers its costs for the property transfer program under Minnesota Statutes, section 115B.17, subdivision 14.

Any unencumbered balance from the metropolitan landfill contingency action trust fund remaining in the first year does not cancel but is available for the second year.

Subd. 5. Hazardous Waste Pollution Control

4,988,000 5,027,000

Summary by Fund

General	1,595,000	1,634,000
Environmental	3,393,000	3,393,000

\$250,000 the first year and \$250,000 the second year is from the environmental fund for the purposes of the hazardous waste generator loan program established in section 115B.223.

The commissioner of the pollution control agency shall evaluate the feasibility of using a 900 telephone number as a means of ensuring that the agency recovers its costs of providing assistance under Minnesota Statutes, section 115C.03, subdivision 9.

Subd. 6. Regional Support

52,000	52,000
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This appropriation is from the environmental fund.

Subd. 7. General Support

6,624,000	6,916,000
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Summary by Fund

General	1,762,000	1,762,000
Environmental	4,854,000	5,146,000
Metro Landfill		
Contingency	8,000	8,000

(a) The following amounts are appropriated for Phase I of an environmental computer compliance management system:

General	400,000	400,000
Environmental	1,309,000	1,599,000

From the environmental fund, \$381,000 the first year and \$420,000 the second year are appropriated from the agency's indirect cost account; \$350,000 the first year is appropriated from the balance in the hazardous waste fee account; \$200,000 the first year is appropriated from the balance in the low level radiation fee account; \$790,000 the second year is appropriated from the unexpended balance in the motor vehicle transfer fee account; and \$378,000 the first year and \$389,000 are appropriated proportion-

ately from all salary accounts in the environmental fund.

The project must be coordinated to access department of natural resources computer information. The commissioner must report on the project to the house ways and means and senate finance committee by July 1, 1995.

(b) \$150,000 is appropriated in each of fiscal years 1994 and 1995 to the commissioner of the pollution control agency from the motor vehicle transfer account in the environmental fund for the purpose of making grants for development of management alternatives for shredder residue under article 2, section 29. The unencumbered balance remaining in the first year does not cancel but is available for the second year and any amount of this appropriation not used to make grants under article 2, section 29 reverts to the motor vehicle transfer account on June 30, 1995.

(c) \$140,000 is appropriated to the commissioner of the pollution control agency from the motor vehicle transfer account in the environmental fund for the purpose of studying management of shredder residue from motor vehicles, appliances, and other sources of recyclable steel and administering the grants authorized under article 2, section 29.

(d) None of the money appropriated in paragraphs (b) and (c) may be spent unless the legislative commission on waste management has approved a work program prepared by the commissioner of the pollution control agency.

Sec. 3. OFFICE OF WASTE MANAGEMENT

Subdivision 1. Total Appropriation 20,229,000 20,214,000

Summary by Fund

General	19,139,000	19,124,000
Environmental	1,090,000	1,090,000

Notwithstanding any other law to the contrary, any outstanding obligations that may be held in St. Louis county for grants and loans issued to the county for con-

struction or operation of the Babbitt waste tire facility under Minnesota Statutes 1986, section 116M.07; Minnesota Statutes, section 115A.54, subdivision 2a; or 298.22; shall be suspended until June 30, 1995.

The amounts that may be spent from this appropriation for each program are specified in the following sections.

Subd. 2. Business Assistance

2,960,000 2,819,000

Summary by Fund

General	1,870,000	1,729,000
Environmental	1,090,000	1,090,000

\$1,327,000 the first year and \$1,332,000 the second year are for grants for market development, source reduction, and pollution prevention. Of these amounts, \$103,000 the first year and \$190,000 the second year from the environmental fund, and \$47,000 the first year and \$50,000 the second year from the general fund, are for pollution prevention grants. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$100,000 the first year and \$100,000 the second year are from the environmental fund for payment of a grant to the Minnesota technical assistance program and for pollution prevention assistance.

Notwithstanding Minnesota Statutes, chapter 115A, money from this appropriation may, at the discretion of the director, be used for demonstration or pilot programs for farm animal waste management techniques or facilities. This money may not be used for these programs unless the director has notified the chairs of the legislative committees or divisions with jurisdiction over appropriations for environmental and natural resources activities.

Subd. 3. Citizen Outreach

696,000 696,000

Subd. 4. Local Government Assistance

15,437,000 15,556,000

\$14,008,000 the first year and \$14,008,000 the second year are for the SCORE block grants to counties.

Subd. 5. Research and Policy Development

324,000 324,000

Subd. 6. Administrative Assistance

812,000 819,000

Sec. 4. ZOOLOGICAL BOARD

Subdivision 1. Total Appropriation 5,048,000 5,051,000

The amounts that may be spent from this appropriation are specified in the following subdivisions.

Subd. 2. Biological Programs

755,000 651,000

Subd. 3. Enterprise Program

92,000 94,000

Subd. 4. Operations

4,201,000 4,306,000

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation 151,154,000 151,192,000

Summary by Fund

General	80,604,000	80,340,000
Game and Fish	52,110,000	53,201,000
Natural Resources	18,066,000	17,547,000
Permanent School	374,000	104,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Any unencumbered balances remaining in the first year from appropriations made in this section for organizational realignment do not cancel, but are available for the second year.

Subd. 2. Mineral Resources Management

4,751,000 4,714,000

\$311,000 the first year and \$311,000 the second year are for iron ore cooperative research, of which \$225,000 the first year and \$225,000 the second year are avail-

able only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$375,000 the first year and \$375,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year. The commissioner is authorized one position in the unclassified service for minerals diversification.

The commissioner of natural resources, before adopting amendments to the mineland reclamation rules governing permits to mine for taconite and iron ore mining operations, shall study how to effectively implement the financial assurance requirements of Minnesota Statutes, section 93.49. The commissioner, by June 30, 1994, shall submit a report to the legislature containing:

- (1) an analysis of the types of financial assurance used for mineland reclamation, including the availability, strengths, and weaknesses of the different types;
- (2) an analysis of the feasibility of establishing financial assurance pools; and
- (3) recommendations for procedures to phase financial assurance requirements in over a period of years for ferrous mine operations.

The commissioner shall solicit and receive advice from the ferrous mining industry, environmental organizations, the state investment board, the Iron Range Resources and Rehabilitation Board, and the Minnesota pollution control agency.

\$30,000 the first year and \$45,000 the second year are for minerals cooperative environmental research, of which \$20,000 the first year and \$35,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$20,000 is appropriated in 1994 for a project to be completed in cooperation with the Iron Range Resources and Rehabilitation Board and the department of trade and economic development utilizing available information on iron product production in Minnesota, steel production using the newest mini mill technology and steel market projections to produce a report on the feasibility of locating a steel mill in northern Minnesota. This report is to be completed by March 31, 1994.

Subd. 3. Water Resources Management

7,985,000 7,747,000

Summary by Fund

General	7,884,000	7,643,000
Natural Resources	101,000	104,000

\$35,000 the first year is for reimbursement of the cost of emergency flood damage repairs to the dike on the Root river in Hokah township, section 32. The commissioner of natural resources shall pursue any federal funds that might be available for this project.

\$180,000 is for payment of a grant to the metropolitan council for development of a mathematical, state-of-the-art groundwater model for the seven-county metropolitan area. The funds are available for the biennium ending June 30, 1995. This appropriation is available only if matched by \$150,000 from nonstate sources.

\$40,000 is appropriated in 1994 for bank stabilization on the Middle River-Snake River Watershed. The money must be matched by nonstate funds.

Subd. 4. Forest Management

27,200,000 26,805,000

Summary by Fund

General	26,546,000	26,130,000
Game and Fish	321,000	331,000
Natural Resources	333,000	344,000

\$735,000 the first year and \$735,000 the second year are for presuppression and suppression costs of emergency fire fight-

ing. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund.

\$114,000 the first year and \$114,000 the second year are for transfer to the board of water and soil resources for grants to soil and water conservation districts for cost-sharing with landowners in the state forest improvement program. This appropriation is not subject to any budget reductions made in the agency.

The commissioner of natural resources shall continue the oak regeneration technical assistance program described in Laws 1991, chapter 254, article 1, section 14, subdivision 7, paragraph (e).

Subd. 5. Parks and Recreation
Management

22,239,000 22,974,000

Summary by Fund

General	21,631,000	22,345,000
Natural Resources	608,000	629,000

\$608,000 the first year and \$629,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$2,238,000 the first year and \$2,238,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

The commissioner of natural resources shall study the management and operational costs of the state park system and evaluate alternative funding approaches for the system. Results of the study must be reported to the legislature by July 1, 1994, and must include a review of the size, type, and number of units within the system; alternative management strate-

gies and organizational structures; revenue generating alternatives; potential stable funding sources; and potential alternatives for reducing costs and improving self-sufficiency.

Any increase in general fund appropriations for state parks for each year of the biennium ending June 30, 1995, above the amount appropriated for fiscal year 1993 must be used only for state park field operations.

\$5,000 is appropriated in 1994 for the development and completion of the management plan for the Cuyuna Country State Recreational Area.

The commissioner of natural resources may not operate a work training program for unemployed and underemployed individuals during the biennium ending June 30, 1995, unless the terms and conditions of employment of such individuals have been negotiated with the exclusive bargaining representatives of employees pursuant to Minnesota Statutes, chapter 179A.

Subd. 6. Trails and Waterways

11,039,000 10,726,000

Summary by Fund

General	1,125,000	1,163,000
Game and Fish	836,000	859,000
Natural Resources	9,078,000	8,704,000

\$2,249,000 the first year and \$2,249,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$250,000 the first year and \$250,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Subd. 7. Fish and Wildlife Management

36,613,000 37,537,000

Summary by Fund

General	2,496,000	2,460,000
Game and Fish	32,339,000	33,234,000
Natural Resources	1,778,000	1,843,000

\$874,000 the first year and \$874,000 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and are not subject to transfer.

\$984,000 the first year and \$1,020,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year. The commissioner of natural resources shall submit to the legislature by January 15, 1994, a budget request to spend any excess receipts from the nongame checkoff.

\$1,310,000 the first year and \$1,310,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$810,000 the first year and \$2,618,000 the second year are from the fish management intensification account and \$1,440,000 the first year is from the game and fish fund for only the purposes specified in Minnesota Statutes, section 97A.065, subdivision 3.

\$1,342,000 the first year and \$1,342,000 the second year are from the wildlife acquisition account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 3. Of these amounts, \$540,000 the first year and \$360,000 the second year are for acquisition, \$360,000 the first year and \$540,000 the second year are for development, and \$120,000 each year is for ditch assessments. \$322,000 each year is for development work performed by participants in youth programs.

\$975,000 the first year and \$1,041,000 the second year are from the deer habitat improvement account, and \$225,000 the first year and \$159,000 the second year are from the game and fish fund, for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$424,000 the first year and \$424,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$130,000 the first year and \$130,000 the second year are from the game and fish fund for deer and bear management to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$222,000 the first year and \$485,000 the second year are from the waterfowl habitat improvement account, and \$486,000 the first year and \$224,000 the second year are from the game and fish fund, for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$531,000 the first year and \$531,000 the second year are from the trout stream management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$605,000 the first year and \$605,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$390,000 the first year and \$370,000 the second year are from the game and fish fund for activities relating to reduction and prevention of property damage by wildlife. Of these amounts, \$110,000 and two full-time equivalent positions each year is for technical assistance, \$95,000 and two full-time equivalent positions each year is for continued development of the geographic information system for wildlife management, and \$100,000 each year is for emergency damage abatement materials.

The commissioner shall report to the house environment and natural resource finance and the senate environment and natural resource committee on the activities and budgeting of the deer population management program by February 15, 1994.

\$44,000 is appropriated in 1994 for the construction of barrier reefs on the west traverse bay of the Lake of the Woods, for fish habitat improvement.

\$8,000 is appropriated in 1994 for construction of an interpretive display in the Thief Lake WMA.

The department of natural resources shall establish a task force to examine the feasibility of creating an urban trout fishing site in St. Paul. Potential sites shall include, but not be limited to, Swede Hollow, the historic Trout Brook, or a route from near downtown to the department of natural resources metro fish hatchery. The task force shall include representatives of the city of St. Paul, the office of tourism, the Minnesota chapter of Trout Unlimited, the University of Minnesota, and other interested parties. A report shall be presented to the house and senate committees on environment and natural resources by February 15, 1994.

Subd. 8. Enforcement

15,930,000 16,121,000

Summary by Fund

General	2,945,000	2,916,000
Game and Fish	10,386,000	10,556,000
Natural Resources	2,599,000	2,649,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$80,000 the first year and \$50,000 the second year are for costs related to the 1837 Treaty with the Chippewa.

The commissioner shall study the county sheriff's water patrol grant funding, including but not limited to the aid formula and county level activities, and make

recommendations for any needed legislation. The commissioner shall report to the house environment and natural resources finance and senate environment and natural resources committees by January 15, 1994.

Subd. 9. Operations Support

25,397,000 24,568,000

Summary by Fund

General	13,226,000	12,969,000
Game and Fish	8,228,000	8,221,000
Natural Resources	3,569,000	3,274,000
Permanent School	374,000	104,000

\$95,000 the first year and \$95,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

The commissioner of natural resources shall have the authority to contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

The commissioner of natural resources shall complete a study of the payment in lieu of taxes program. The commissioner shall compare the amount of payments that would be made under an ad valorem system to the current payments to counties. The findings of the study must be reported by January 15, 1994, to the environment and natural resources and finance committees of the senate and the environment and natural resources and ways and means committees of the house of representatives.

\$286,000 the first year and \$104,000 the second year are from the lakeshore sales account in the permanent school fund for land sale costs under Minnesota Statutes, section 92.67, subdivision 3. \$88,000 the

first year is from the permanent school fund suspense account, and must be repaid to the suspense account from closing costs collected at the August 1993 lease sale. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

The commissioner of natural resources shall prepare a report on the support service costs incurred by each department program by fund. The report must include a history of these costs for the past four years and measures the department has taken to reduce and manage these costs. The report must be submitted to the senate environment and natural resources finance division and the house of representatives committee on environment and natural resources finance by December 31, 1993.

The appropriation in Laws 1991, chapter 254, article 1, section 5, subdivision 9, from the land acquisition account is available until expended.

\$100,000 is appropriated in 1994 to the commissioner of natural resources for transfer to the environment quality board. The money is to be used for the coordination of the preparation of a strategic plan for Minnesota's environment based on sustainable human and economic development.

The department of natural resources, with the cooperation of other state agencies, shall identify state employees who are potentially eligible for approval as certified ecologists under guidelines of the Ecological Society of America. Employees shall be eligible for reimbursement in accordance with personnel regulations for expenses directly related to becoming certified ecologists.

Subd. 10. Deficiency Appropriations

\$240,000 is appropriated to the commissioner of the department of natural resources. Of this amount, \$120,000 is from the permanent school fund suspense account and is to be added to the appropriation in, and used for the purposes of Laws 1991, chapter 254, article 1, section 5, subdivision 9, and \$120,000 is to pay

legal costs of litigation and settlement of disputes relating to the 1837 Treaty. The amounts appropriated are for the fiscal year ending June 30, 1993.

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

11,874,000 12,126,000

\$5,003,000 the first year and \$5,353,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 in each year is for a grant to the north shore management board.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$1,599,000 the first year and \$1,599,000 the second year are for grants to soil and water conservation districts for general purposes and for implementation of the RIM conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$2,220,000 the first year and \$2,120,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

Any unencumbered balance in the board's program of grants to soil and water conservation districts and counties does not cancel at the end of the first year and is available for the second year for the same grant program.

Funds may not be used by the board for providing assistance for individual on-site household waste treatment systems.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	23,669,000	22,572,000
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Summary by Fund

General	13,936,000	12,804,000
Environmental	272,000	272,000
Special Revenue	9,461,000	9,496,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service

15,709,000	15,744,000
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Summary by Fund

General	6,159,000	6,159,000
Environmental	272,000	272,000
Special Revenue	9,278,000	9,313,000

\$272,000 the first year and \$272,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

\$4,500,000 the first year and \$4,500,000 the second year are appropriated from the pesticide regulatory account established under Minnesota Statutes, section 18B.05 for administration and enforcement of Minnesota Statutes, chapter 18B.

The commissioner shall continue to operate a tractor and machinery safety training program for youth.

The unexpended balance appropriated for farm safety projects and programs at the discretion of the commissioner in Laws 1991, chapter 254, article 1, section 7, subdivision 5, does not cancel and is reappropriated to the commissioner for the biennium ending June 30, 1995, to carry out farm safety projects and programs. These funds can be used in either year of the biennium.

\$650,000 the first year and \$650,000 the second year are appropriated from the fertilizer inspection account established under Minnesota Statutes, section 18C.131 for administration and enforcement of Minnesota Statutes, chapter 18C.

\$400,000 the first year and \$400,000 the second year are appropriated from the

seed potato inspection fund established under Minnesota Statutes, section 21.115 for administration and enforcement of Minnesota Statutes, sections 21.111 to 21.122.

\$600,000 the first year and \$600,000 the second year are appropriated from the seed inspection fund established under Minnesota Statutes, section 21.92 for administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92.

\$650,000 the first year and \$650,000 the second year are appropriated from the commercial feed inspection account established under Minnesota Statutes, section 25.39, subdivision 4 for administration and enforcement of Minnesota Statutes, sections 25.35 to 25.44.

\$620,000 the first year and \$620,000 the second year are appropriated from the fruit and vegetables inspection account established under Minnesota Statutes, section 27.07, subdivision 6 for administration and enforcement of Minnesota Statutes, section 27.07.

\$1,563,000 the first year and \$1,598,000 the second year are appropriated from the dairy services account established under Minnesota Statutes, section 32.394, subdivision 9, for the purpose of dairy services under Minnesota Statutes, chapter 32.

\$295,000 the first year and \$295,000 the second year are appropriated from the livestock weighing fund established under Minnesota Statutes, section 17A.11 for the purpose of livestock weighing costs under Minnesota Statutes, chapter 17A.

Subd. 3. Promotion and Marketing

2,142,000 1,142,000

Summary by Fund

General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$15,800,000 for the biennium ending

June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to \$981,024 for eligible, unpaid claims accumulated through June 30, 1993.

\$1,000,000 is appropriated in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$183,000 the first year and \$183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Subd. 4. Administration and Financial Service

5,818,000 5,686,000

\$1,200,000 from the balance in the special account created in Minnesota Statutes, section 41.61, shall be transferred to the general fund by June 30, 1994.

\$389,000 the first year and \$389,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1994 or 1995.

\$199,000 the first year and \$199,000 the second year are to manage the family farm advocacy program.

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$150,000 the first year and \$150,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of two state dollars for each \$1 of matching nonstate money that is raised. Any appropriated amounts not matched by April 1 of each year are available for other purposes within the department.

\$45,000 the first year and \$45,000 the second year are for payment of claims relating to livestock damaged by endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$80,000 the first year and \$80,000 the second year are for the seaway port authority of Duluth.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

Money from this appropriation may, at the discretion of the commissioner, be used for demonstration or pilot programs for farm animal waste management techniques or facilities. This money may not be used for these programs unless the commissioner has notified the chairs of the legislative committees or divisions with jurisdiction over appropriations for environmental and natural resources activities.

The unencumbered balance on June 1, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, for legal challenges to discriminatory aspects of the federal milk market order system are transferred to the supreme court for the same purposes.

Sec. 8. BOARD OF ANIMAL HEALTH 2,071,000 2,071,000

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$200,000 the first year and \$200,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION 129,000 130,000

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

Sec. 10. CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK 72,000 72,000

The council shall have an executive committee composed of the legislative members and the chair. The executive committee shall act on matters of person-

nel, out-of-state trips by members of the council, and nonroutine monetary issues.

Sec. 11. SCIENCE MUSEUM OF MINNESOTA

1,114,000 1,108,000

\$6,000 is appropriated for a project to study the creation of a freshwater aquarium on the Mississippi river in downtown St. Paul. The project will look at displaying and interpreting the aquatic life and surrounding cultures of the great river of the world. The science museum will work with groups including but not limited to the department of natural resources, Minnesota tourism office, University of Minnesota, city of St. Paul, the Minnesota alliance for geographic education, and other interested parties. A report must be submitted to the appropriate finance committees of the house and senate by February 1, 1994. This appropriation is contingent upon securing matching funds.

Sec. 12. MINNESOTA ACADEMY OF SCIENCE

36,000 36,000

Sec. 13. MINNESOTA HORTICULTURAL SOCIETY

72,000 72,000

Sec. 14. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation

41,274,000

Summary by Fund

Minnesota Future Resources Fund

14,662,000

Minnesota Environment and Natural Resources Trust Fund

24,600,000

Of this appropriation \$10,298,000 is for trust fund acceleration.

Oil Overcharge Money in the Special Revenue Fund

2,012,000

The appropriations in this section are available until June 30, 1995.

In this section:

(a) "Future resources fund" means the Minnesota future resources fund referred to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(c) "Trust fund acceleration" means the Minnesota environment and natural resources trust fund to be expended only for capital investments in parks and trails referred to in Minnesota Statutes, section 116P.11, paragraph (b), clause (3).

(d) "Oil overcharge money" means the money referred to in Minnesota Statutes, section 4.071, subdivision 2.

Subd. 2. Legislative Commission on Minnesota Resources

695,000

\$425,000 of this appropriation is from the future resources fund and \$270,000 is from the trust fund pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

For the biennium ending June 30, 1995, the commission shall monitor the programs in this section; assess the status of the state's natural resources; convene a state resource congress; establish priorities for, request, review, and recommend programs for the 1995-1997 biennium from the future resources fund, environment and natural resources trust fund, and oil overcharge money, and for support of the citizen advisory committee activities.

Subd. 3. Agriculture

(a) Biological Control of Plant and Animal Pests

880,000

This appropriation is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of agriculture to develop, test, and implement biological control agents to reduce the use of petroleum-based chemicals. A grant request to supplement this appropriation must be submitted to the United States Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

(b) Cover Crops in a Corn and Soybean Rotation

150,000

This appropriation is from the future resources fund to the commissioner of ag-

riculture for a contract with the University of Minnesota for the development of economic management strategies of cover crops for corn and soybean rotations to reduce soil erosion, nitrate leaching, and pesticide use.

(c) Increasing Utilization of Federal Cost Share Feedlot Funds

480,000

This appropriation is from the future resources fund to the commissioner of agriculture to provide technical assistance for the rehabilitation of priority feedlots with water quality concerns.

(d) Demonstration of Production Scale Waste Collection in Aquaculture

100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Minnesota aquafarms to evaluate operational efficiencies of a fish waste collection system and to evaluate the potential for the waste collection system to meet state water quality requirements.

(e) Reinvest in Minnesota - Conservation Reserve Easements

823,000

\$500,000 of this appropriation is from the trust fund and \$323,000 of this appropriation is from the future resources fund to the board of water and soil resources to accelerate the RIM program to acquire perpetual conservation easements on marginal agricultural lands. Up to \$165,000 may be used to implement conservation practices on the easements. None of this appropriation may be used for administrative costs.

(f) Alternative Aquaculture Methods

230,000

This appropriation is from the future resources fund to the commissioner of agriculture to develop and evaluate alternative methods of raising fish, focusing on water conservation through waste removal, and collection involving recirculating aquaculture systems. Grant requests to supplement this appropriation must be submitted to the United States Department of Agriculture and the national Sea Grant program and the results reported to the legislative commission on Minnesota resources.

(g) Minnesota Aquaculture Development Program

230,000

This appropriation is from the future resources fund to the commissioner of agriculture to conduct a grant program for the evaluation and development of environmentally sound aquaculture systems.

(h) Managing Agricultural Environments of North-Central Minnesota Sandy Soils

480,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to develop improved management strategies for water, nitrogen, and herbicide use on sandy soils in north central Minnesota.

(i) Nutrient Availability From Land-Applied Manure

280,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to determine nutrient availability from manure/soil/crop systems to improve manure utilization by crops, reduce environmental impacts on water resources, and provide best management practices (BMPs) to guide manure management decisions.

(j) Effective Manure Management in Conservation Tillage Systems for Karst Areas

500,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to investigate factors that influence losses of contaminants to surface and groundwater. The emphasis will be on soil, crop residue, and manure management to maximize crop recovery of nitrogen and minimize losses to surface and groundwater.

(k) Nutrient Recycling Through Plants and Animals

260,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to improve techniques to predict nitrogen mineralization from manure and soil organic matter in west central Minnesota.

(l) Developing Soil Specific Nitrogen Management as a Best Management Practice (BMP) 294,000

This appropriation is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of agriculture for development of new soil specific, variable rate nitrogen applications that will increase operating efficiency and reduce applied nitrogen without reducing yield.

Subd. 4. Energy

(a) Reducing Energy and CO2 230,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the center for energy and urban environment to develop a comprehensive action plan that will focus on energy efficiency, alternative energy, and fuel switching through an assessment of opportunities for the reduction of CO2 and other greenhouse gases.

(b) Photovoltaic Demonstration Project 230,000

This appropriation is from the future resources fund to the commissioner of public service for a grant to the St. Paul school district for purchase and installation of a photovoltaic demonstration system at the Battle Creek environmental magnet school.

(c) Operational Implications of Alternate Transit Bus Fuels 78,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the metropolitan transit commission to test alternate bus fuels to evaluate their potential for reduced fuel consumption and increased operational efficiency.

(d) The Bus, Bike, or Car Pool (B-BOP) Challenge 150,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the center for energy and urban environment to reduce energy use by the delivery of an employer-based program that cost effec-

tively reduces the use of single occupant vehicles by commuters who pledge to B-BOP or telecommute regularly during the summer.

(e) Tree and Grass Production for Ethanol 380,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the agricultural utilization research institute to implement a program to supply biomass feedstock derived from trees and grass to a national renewable energy laboratory (NREL), United States Department of Energy Engineering Development facility for converting biomass to ethanol and thermochemical fuels. This appropriation is contingent on a NREL agreement by January 1, 1994, to purchase biomass.

Subd. 5. Forestry

(a) Development of Tree Seed Orchard Complex 80,000

This appropriation is from the future resources fund to the commissioner of natural resources for production of genetically improved forest tree seed.

(b) Como Park Replanting Program 93,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the city of St. Paul to replant areas in Como Park that have lost trees due to disease, age, or other causes.

(c) Reforestation in Ramsey County Parks and Open Space 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Ramsey county to accelerate the reforestation program in Ramsey county regional and county parks to replace trees lost to storm damage, drought, and disease and begin establishment of new plantings. None of this appropriation is to be used for administration.

(d) Developing Quality Hardwood Forests 210,000

This appropriation is from the future resources fund to the commissioner of nat-

ural resources for a contract with the University of Minnesota to conduct research on the effects of different canopy gap sizes and site preparation methods on natural hardwood regeneration.

Subd. 6. General

(a) Minnesota County Biological Survey
- Continuation

900,000

This appropriation is from the trust fund to the commissioner of natural resources to continue the Minnesota county biological survey of systematic collection (\$432,000) and management of data on the distribution of rare plants, animals, and natural habitats (\$288,000) and to provide for distribution and integration of rare features information (\$180,000).

(b) Minnesota's Forest-Bird Diversity Initiative - Continuation

500,000

This appropriation is from the trust fund to the commissioner of natural resources to monitor forest songbird populations and to utilize geographic information system tools to correlate forest bird populations with dynamics of the forest landscape.

(c) Description and Evaluation of Minnesota Old Growth Forests - Continuation

250,000

This appropriation is from the future resources fund to the commissioner of natural resources to accelerate the evaluation of old growth candidate stands (\$90,000), develop detailed descriptions of old growth forest types (\$110,000), and determine habitat relations of forest fungi in old growth forests (\$50,000) for completion of the implementation of the department of natural resources old growth guidelines.

(d) Mississippi Headwaters River Inquiry and Education Project

75,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Mississippi headwaters board to provide for the investigation of river corridor biology, hydrology, and cultural issues, training of local government officials; and

public education on river protection strategies.

(e) Anadromous Fish Monitoring 137,000

This appropriation is from the future resources fund to the commissioner of natural resources for biologic monitoring to improve the management of the steelhead population on the north shore of Lake Superior.

(f) Land and Water Conservation Fund Administration 80,000

This appropriation is from the future resources fund to the commissioner of natural resources for administration of the federal land and water conservation program and other contract administration activities assigned to the commissioner in this section.

Subd. 7. Information/Education

(a) Quantify Pesticide and Fertilizer Runoff from Golf Courses 49,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with suburban Hennepin Regional Park district for a study of the quantity of pesticide and fertilizer runoff water from golf courses and an assessment of the impact of these contaminants on downstream waterbodies. This appropriation must be matched by \$49,000 of nonstate funds.

(b) Developing Multi-Use Urban Green Space 220,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Minneapolis park and recreation board to develop city tax forfeited lands into neighborhood gardens, orchards, alternative landscape demonstration areas, and tree nurseries.

(c) K-12 Prairie Wetland Field Study Program - Ecology Bus 270,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Heron Lake Environmental Learning Center, Inc., to

purchase, equip, and operate an ecology bus to deliver an interdisciplinary K-12 school environmental education program in southwest Minnesota. This appropriation is contingent on the learning center employing a specialist to guide student and teacher participation in the ecology bus.

(d) The On-Line Museum: Computer and Interactive Video

260,000

This appropriation is from the trust fund to the commissioner of education for a contract with the science museum of Minnesota to create an interactive video data base of selected cultural and natural history collections as a prototype for a unique learning experience in environmental education for museum visitors and school children.

(e) Environmental Education Outreach Program

215,000

This appropriation is from the future resources fund to the commissioner of education for a contract with metropolitan waste control commission (MWCC) to develop a multidisciplinary environmental science and math curriculum for grades K-12 and team-taught by private sector volunteers, teachers, and MWCC volunteer staff. A grant request to supplement this appropriation must be submitted to the United States Environmental Protection Agency and the results reported to the legislative commission on Minnesota resources. This appropriation must be matched by an equal amount of nonstate funds.

(f) Summer Youth History Program

100,000

This appropriation is from the future resources fund to the Minnesota state historical society to provide summer employment for high school students of at least 50 percent minority or disadvantaged at historic sites.

(g) The Ecology of Minnesota - Book

51,000

This appropriation is from the future resources fund to the University of Minnesota for a grant to the university press to assist in the preparation and production of

a book presenting a comprehensive overview of Minnesota's natural environment.

(h) Green Street: An Urban Environmental Awareness Project

550,000

This appropriation is from the trust fund to the commissioner of education for a contract with the science museum of Minnesota to develop a comprehensive, coordinated urban environmental education project, which will be a core exhibit and outreach program focused on revealing the links between modern lifestyles and major environmental issues.

(i) Minnehaha Park Environmental Interpretive Center

300,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to adaptively reuse the Longfellow house in Minnehaha Park as an urban interpretive center. This appropriation must be matched by \$37,000 from the Minneapolis park and recreation board.

(j) Nicollet Conservation Club Swan Lake Interpretive Room

18,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Nicollet conservation club to equip a Swan Lake interpretive center at the Nicollet conservation club. Facilities will be open for use by local school groups and state agencies for interpretive programs and meetings at no charge. This appropriation must be matched by an equal amount of nonstate funds.

(k) Project City Camp: Experiential Urban Environmental Education

130,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Pillsbury Neighborhood Services, Inc., to implement Project City Camp, to help inner city poor and minority youth and adults understand the urban environment and its impact on human development.

(l) Granite Quarry Park and Interpretive Center Planning 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Stearns county to study the features of the quarry sites and plan for the development of an interpretive and recreational regional park. This appropriation must be matched by \$50,000 of nonstate funds.

(m) Expanded Crosby Farm Park Nature Program 91,000

This appropriation is from the future resources fund to the commissioner of education for a contract with the city of St. Paul to accelerate the nature study program established at Crosby Farm Park utilizing the Como zoo, Como conservatory, and Crosby Farm Nature Park.

(n) Multiple-Use Forest Management Learning Kit 15,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Deep Portage environmental learning center to develop a multiple use forest management learning kit. This appropriation must be matched by \$5,500 of nonstate funds.

(o) An Outdoor Classroom to Improve Rural Environmental Education 60,000

This appropriation is from the future resources fund to the commissioner of education for a contract with the Faribault County Environmental Learning Center, Inc., in cooperation with area 4-H, communities and schools, for an outdoor classroom project using native Minnesota vegetation, to train instructors, educate youth and community members, and evaluate changes in environmental awareness.

Subd. 8. Land

(a) Base Maps for 1990s - Continuation 710,000

This appropriation is from the trust fund to the commissioner of administration to provide the state share of a 50/50 match program with the United States Geological Survey to continue statewide coverage of orthophoto maps, update mapping for

the state major urban areas, and plan for future cooperative mapping and air photos programs.

(b) Rural County Use of National Aerial Photography Program Flight

90,000

This appropriation is from the future resources fund to the commissioner of administration for a contract with Houston county to evaluate the quality of digital planimetric map products and the effectiveness of national aerial photography program products in meeting the needs of Houston county users and to assist other counties in the future use of the products. This project must comply with the data compatibility requirements set forth in subdivision 14.

(c) Recreational Resource Planning in the Metro Mississippi Corridor

175,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the University of Minnesota to investigate the potential for enhancing and enriching the recreational opportunities along the Mississippi river in the metropolitan corridors of the Mississippi National River and Recreation Area (MNRRA). This appropriation must be matched by \$25,000 of nonstate funds.

Subd. 9. Minerals

Mitigating Concrete Aggregate Problems in Minnesota

179,000

This appropriation is from the future resources fund to the commissioner of transportation for a contract with the University of Minnesota to study means of mitigating concrete aggregate problems in southern Minnesota.

Subd. 10. Recreation

The appropriations in items (a) to (l) are for trust fund acceleration.

(a) State Park Betterment

3,000,000

This appropriation is from the trust fund to the commissioner of natural resources to develop, improve, and rehabilitate state park facilities to meet growing user demand as well as prevent further deterior-

ration of outstanding historically significant structures.

(b) Americans With Disabilities Act:
Retrofitting Regional Parks

220,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council to make subgrants to regional park implementing agencies to retrofit existing facilities to meet federal Americans with Disabilities Act (ADA) requirements.

(c) Trail Linkages, Metropolitan Regional Network

2,327,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council to make subgrants to acquire and improve regional trails which link existing and planned regional, local, and state parks and trails.

(d) Initiate Gateway Segment of the Willard Munger State Trail into Downtown St. Paul

254,000

Of this appropriation, \$200,000 is from the trust fund and \$54,000 is from the future resources fund to the commissioner of natural resources for acquisition and development of the trail right-of-way of the gateway segment of the Willard Munger state trail into downtown St. Paul. This appropriation is for acquisition and development only and must be done in cooperation with the city of St. Paul.

(e) Birch Lake Regional Bikeway/Walkway

450,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to Ramsey county which shall cooperate with the city of White Bear Lake to develop a bikeway/walkway linking trunk highway 96 regional bikeway with Tamarack nature center and business centers, and a trailside interpretive program. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(f) Cedar Lake Trail Development 610,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to plan and construct Cedar Lake recreational and nonmotorized commuter trail from Highway 100 to downtown Minneapolis intersecting with the chain of lakes. This appropriation must be matched by \$200,000 of nonstate funds. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(g) State Trail Development 2,327,000

This appropriation is from the trust fund to the commissioner of natural resources to start development of the Paul Bunyan state trail, the development of an abandoned railroad grade located between Barnum and Carlton, and provide for the acquisition and development of a trail connection from Harmony to the Root river state trail.

(h) Shingle Creek Trail Improvement 130,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to develop the Shingle Creek trail connection between Minneapolis and Hennepin county regional trail.

(i) Lilydale/Harriet Island Regional Park Trail 246,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a contract with the city of St. Paul to plan and construct a pedestrian bicycle trail in the Lilydale/Harriet Island Regional Park.

(j) Como Park East Lakeshore Reclamation 163,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the city of St. Paul to

provide site improvements for reclamation and restoration of severely eroded areas on east lakeshore in Como Park.

(k) Acquisition of Palace Restaurant Site on Mississippi River

325,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to acquire the Palace Restaurant property located on the east bank of the Mississippi for open space and recreational opportunities. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(l) Access to Lakes and Rivers - Continuation

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate access to lakes and rivers statewide. \$500,000 is for boat access to lakes and rivers and \$500,000 is for shoreline access and fishing piers statewide.

(m) Saint Louis River Land Acquisition

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources to acquire and protect undeveloped lands known for their resource and recreation values located along the Saint Louis, Cloquet, and Whiteface rivers. Up to \$50,000 of this appropriation may be used as a grant to the Saint Louis river board for the implementation of the Saint Louis river management plan.

(n) Lake Minnetonka Water Access Acquisition

944,000

This appropriation is from the future resources fund to the commissioner of natural resources to acquire land for a water access site on Maxwell and Crystal Bays in Lake Minnetonka.

(o) Lake Superior Safe Harbors - Continuation

1,000,000

This appropriation is from the future resources fund to the commissioner of natural resources to acquire a site not to

exceed 25 acres and construct a Lake Superior safe harbor site at Silver Bay in cooperation with the north shore management board. This appropriation is contingent on additional funding being requested from the IRRRB, the United States Army Corps of Engineers and other federal/local sources as described in the north shore harbors plan.

(p) Cooperative Trails Grant Program

800,000

This appropriation is from the future resources fund to the commissioner of natural resources for a grant program to assist in the acquisition and development of local connections to planned and existing state trails and other public recreation facilities.

(q) Agassiz Recreational Trails (ART)

650,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Agassiz Recreational Trail Joint Powers Board to plan, purchase, and develop Agassiz recreational trails and improve up to five local parks.

(r) Mesabi Trail Acquisition, Planning and Development

700,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the St. Louis and Lake county regional rail authority to plan and begin acquiring and developing a 132-mile multipurpose trail linking the Mesabi iron range between Grand Rapids and Ely. This appropriation must be matched by \$350,000 cash from IRRRB or nonstate funds.

(s) Recreational Programming: Inclusiveness for Persons with Disabilities

160,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Vinland National Center to provide staff training and consultation, targeted outreach and resource education, to enhance the inclusiveness, accessibility, and utilization of existing recreational programs by persons with disabilities.

(t) Enhanced Recreational Opportunities
for Southeast Asian Ethnic Communities 300,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide community education, develop bilingual communication exchanges, and cultural and sensitivity training with community members and natural resource professionals.

(u) Urban Community Gardening Program 110,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Sustainable Resources center to provide technical assistance and information to neighborhood based groups, special populations, and municipalities for community gardening, including the rehabilitation of urban open space.

(v) National Register Grants Program 165,000

This appropriation is from the future resources fund to the Minnesota state historical society to assist in the preservation of outstanding historical properties such as Pickwick Mill (1854-58), Sibley County Courthouse (1879), Wendelin Grimm Farmstead (1876), and Tugboat Edna G (1896), and other emergency needs of properties of national or state-wide historic significance.

(w) Historical Research and Planning for
Traverse Des Sioux 68,000

This appropriation is from the future resources fund to the Minnesota state historical society to research and develop a master plan for Traverse des Sioux, a historic site owned by the Minnesota historical society and located in Nicollet county.

(x) Peninsula Point Two Rivers Historical
Park 435,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the city of Anoka to develop Peninsula Point Two Rivers Historical Park located at the confluence of the Rum and Mississippi rivers.

Subd. 11. Water

(a) Minnesota River Implementation - Continuation

1,100,000

This appropriation is from the trust fund to the commissioner of the pollution control agency to accelerate the adoption of best management practices (BMPs) and to accelerate related state and local implementation activities for the Minnesota river basin.

(b) Local River Planning - Continuation

480,000

This appropriation is from the future resources fund to the commissioner of natural resources for contracts of up to two-thirds of the cost to counties or groups of counties acting pursuant to a joint powers agreement, to develop comprehensive plans for the management and protection of rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by the consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws. Up to \$100,000 is available for administration and technical assistance.

(c) Mercury Reduction in Fish - Continuation

200,000

This appropriation is from the trust fund to the commissioner of the pollution control agency for a contract with the University of Minnesota to complete pilot studies testing mercury reduction in fish for Minnesota waters. Grant requests to supplement this appropriation must be submitted to the United States Environmental Protection Agency and the results reported to the legislative commission on Minnesota resources.

(d) Stream Flow Protection

280,000

This appropriation is from the future resources fund to the commissioner of natural resources to collect stream habitat data (width, depth, velocity, substrate, water elevation) in up to 39 watersheds to

develop community-based flows that protect stream resources. This project must comply with the data compatibility requirements set forth in subdivision 15.

(e) The South Central Minnesota Groundwater Contamination Susceptibility Project - Continuation

290,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Mankato state university to couple surface hydrology, subsurface geology, and hydrogeology for environmental analysis to assess present environmental conditions, establish benchmarks, and develop regional priorities for south central Minnesota. This project must comply with the data compatibility requirements set forth in subdivision 14.

(f) White Bear Lake Levels Feasibility Study

228,000

This appropriation is from the future resources fund to the commissioner of natural resources to install additional observation wells at White Bear Lake (\$50,000), to study lake and groundwater relationships, to conduct a feasibility study to address lake level issues (\$50,000), and to abandon or retrofit existing augmentation wells (\$128,000).

(g) County Geologic Atlases and Regional Hydrogeologic Assessments - Continuation

850,000

\$425,000 is from the trust fund to the University of Minnesota, Minnesota geologic survey, and \$425,000 is from the trust fund to the commissioner of natural resources to expand production of county geologic atlases and regional hydrogeologic assessments. This project must comply with the data compatibility requirements set forth in subdivision 14.

(h) Septic System Replacement for Water Related Tourism Businesses

500,000

This appropriation is from the future resources fund to the commissioner of trade and economic development to provide matching grants of up to \$10,000 to resorts and related tourism businesses

located on lakes and rivers for replacement of failing or nonconforming septic systems. Businesses that begin replacement of failing or nonconforming septic systems after the effective date of this act are eligible for these grants.

(i) Optical Brighteners: Indicators of Sewage Contamination of Groundwaters 157,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Dakota county to study the correlation of optical brighteners present in domestic sewage from detergent use with nonagricultural nitrogen as interferences with atrazine detection.

Subd. 12. Wildlife, Fisheries, Plants

(a) Reinvest in Minnesota – Critical Habitat Match, Scientific and Natural Area, Wildlife, and Prairie Acquisition 4,000,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program. \$2,600,000 is to protect and improve critical fish, wildlife, and native plant habitat through critical habitat match; \$1,000,000 is to acquire land for scientific and natural areas; \$300,000 is to acquire North American waterfowl management plan projects; and \$100,000 is to acquire prairie bank easements to protect native prairie on private lands.

(b) Reinvest in Minnesota – Wildlife Habitat Stewardship and Property Development 900,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program, to develop state land, to protect wildlife and native plant populations, restore native plant communities, and enhance wildlife habitat.

(c) Reinvest in Minnesota – Statewide Fisheries Habitat Development 687,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program through the development of trout, walleye, and smallmouth bass hab-

itat in streams, removal of the Flandrau dam on the Cottonwood river to allow migration of fish, and the installation of aeration systems on winterkill-prone lakes.

(d) Establishment of Critical Winter Habitat Areas on Intensively Farmed Land

100,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Pheasants Forever, Inc., to acquire and establish areas of critical winter habitat for wildlife on farmland in Scott county. This appropriation must be matched by \$60,000 nonstate funds.

(e) Wild Turkey Hunting Safety/Education

39,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the wild turkey federation to develop a program to promote safety in the sport of wild turkey hunting, to minimize accidents, and improve hunter/landowner relationships.

(f) Niemackl Watershed Restoration

500,000

This appropriation is from the future resources fund to the commissioner of natural resources for the restoration of the Niemackl watershed by improvement of water quality, flood reduction, fish and wildlife habitat, and recreation through citizen participation with federal, state, and local governments, and nongovernment agencies. \$200,000 is available to begin the project and the remaining \$300,000 is contingent on a match of \$300,000 of nonstate funds.

(g) Deer Critical Habitat Survey - Koochiching County

75,000

This appropriation is from the future resources fund to the commissioner of natural resources in cooperation with Koochiching county to conduct an intensive survey of deer winter cover in Koochiching county to identify critical habitat for deer for improved timber management and for deer population management. This appropriation must be matched by \$5,000 of nonstate funds.

(h) Reinvest in Minnesota – Fisheries Acquisition for Angler Access and Habitat Development

300,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program. \$50,000 is for trout stream easements; \$50,000 is for warm water stream easements; and \$200,000 is for aquatic management areas acquisition.

(i) Establishing Goose Nesting Sites in Northern Minnesota and Relocation of Giant Canada Goslings

21,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Geese International, Inc., to manufacture and place 160 permanent goose nesting sites in the Squaw Lake and Baudette areas and to purchase a four-wheel drive vehicle capable of towing a trailer for 400 goslings. This appropriation must be matched by \$31,890 from Geese International, Inc.

(j) Prairie Ecosystem Restoration in the Minneapolis Park System

60,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Minneapolis park and recreation board to restore and rehabilitate the remnant, secondary, and introduced prairie tracts in the Minneapolis park system. This appropriation must be matched by \$60,000 from nonstate funds.

(k) Theodore Wirth Park Tamarack Bog Preservation Project

40,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the People for Minneapolis Parks fund in cooperation with the Minneapolis park and recreation board to restore the Theodore Wirth park tamarack bog, improve the access trail, construct a boardwalk, and develop and install self-guided interpretive signage.

(l) Biological Control of Eurasian Water Milfoil and Purple Loosestrife

400,000

This appropriation is from the trust fund to the commissioner of natural resources to research biological control for purple loosestrife and Eurasian water milfoil. The purple loosestrife research must be done in cooperation with the commissioner of agriculture. \$100,000 is for the propagation, release, and evaluation of insects for purple loosestrife control; \$50,000 is for the development of mycoherbicides to control purple loosestrife; \$200,000 is for evaluation of biocontrol agents for Eurasian water milfoil fungi and insects; and \$50,000 is to research the biology of Eurasian water milfoil. The \$250,000 for Eurasian water milfoil must be matched by \$200,000 of nonstate funds.

(m) Replacement of Eurasian Water Milfoil with Native Minnesota Plants

40,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the White Bear Lake conservation district to research the replanting of areas treated for Eurasian water milfoil with native aquatic plants.

(n) Integrated Control of Purple Loosestrife

90,000.

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the commissioner of natural resources to accelerate evaluation of integrated biological control agents for purple loosestrife infestations in Houston, Hennepin, Wabasha, and Goodhue counties.

(o) Ecological Impacts of Releasing Genetically Engineered Fishes

175,000

This appropriation is from the trust fund to the commissioner of agriculture in cooperation with the commissioner of natural resources for a contract with the University of Minnesota to assess impacts of the release of genetically engineered fish on Minnesota's game fish and aquatic ecosystems and formulate recommendations to reduce detrimental impacts through measurement of bioenergetic and behavioral traits.

Subd. 13. MFRF Contingent Account

If cancellations or increased revenue, or both, create an excess balance in the future resources fund, up to \$600,000 for the biennium is appropriated from the fund for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

This appropriation is not available until the legislative commission on Minnesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting and provide its recommendation on each item, which may be spent only with the approval of the governor.

Subd. 14. Data Compatibility Requirements

During the biennium ending June 30, 1995, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic data bases with the integration costs borne by the activity receiving funding under this section.

Subd. 15. Work Program

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must submit a work program and

semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

Subd. 16. Temporary Positions

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. The positions are in addition to any other approved complement for the agency. Part-time employment of persons is authorized.

Subd. 17. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1994, must be canceled.

Subd. 18. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.125, regarding the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

Subd. 19. Carryforward

The appropriation in Laws 1991, chapter 254, article 1, section 14, subdivision 7, paragraph (e), Private Forest Management Oak Regeneration, is available until December 31, 1993.

Sec. 15. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE

3,958,000 3,930,000

\$28,000 the first year is appropriated from the general fund for a grant to the southwest regional development commission to pay for the planning and final system design for connecting four rural water systems to the federal Lewis and Clark Rural Water System. Any funds not

spent in the first year may be spent in the second year.

Sec. 16. PUBLIC FACILITIES AUTHORITY

\$150,000 \$150,000

\$150,000 the first year and \$150,000 the second year are for the individual on-site treatment program under Minnesota Statutes, section 116.18, subdivision 3c. In awarding grants, the public facilities authority shall give priority to projects within the Minnesota river watershed.

The commissioner of the pollution control agency shall report to the legislative committees on environment and natural resources by December 15, 1993, on the advisability and feasibility of expanding the individual on-site treatment systems program under Minnesota Statutes, section 116.18, subdivision 3c, to include areas outside municipalities. The report must include an assessment of alternative means of providing assistance to individuals for on-site treatment systems.

Sec. 17. COMMERCE

200,000

This appropriation is from the landfill cleanup account in the environmental fund for development of the insurance buyout formula under section 88.

Sec. 18. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this act to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 19. [INFORMATION POLICY OFFICE (IPO) APPROVAL.]

Appropriations for information systems shall not be allotted until the commissioner of the agency certifies to the commissioner of finance that all IPO project requirements have been met or will be met. If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 20. [TRANSFER OF RESPONSIBILITIES TO COMMISSIONER OF NATURAL RESOURCES.]

The responsibilities of the commissioner of trade and economic development relating to conservation and recreation grants under Minnesota Statutes, sections 116J.401, clause (5), and 116J.406, are transferred to the commissioner of natural resources under Minnesota Statutes, section 15.039.

Sec. 21. Minnesota Statutes 1992, section 17.59, subdivision 5, is amended to read:

Subd. 5. [COMMODITIES RESEARCH AND PROMOTION ACCOUNT.] All fees collected by the department under sections 17.51 to 17.69 and any other fees and income received by the department in the administration of these statutes shall be deposited in a separate account known as the commodity research and promotion account in the special revenue fund. ~~These funds shall be appropriated to the department for the purpose of defraying the expenses of administering and enforcing the sections listed in this subdivision.~~

Sec. 22. Minnesota Statutes 1992, section 17A.11, is amended to read:

17A.11 [FEES FOR LIVESTOCK WEIGHING.]

The commissioner shall prescribe the fee necessary to cover the cost of state weighing, to be assessed and collected from the seller in the manner the commissioner may prescribe. The fee assessed must be the same, and the manner of collection of the fee must be uniform at all facilities. At any location where state weighing is performed in accordance with this chapter and the total annual fees collected are insufficient to pay the cost of the weighing, the annual deficit shall be assessed and collected in the manner the commissioner may prescribe. Additional money arising from the weighing of animals by the commissioner, which has been collected and retained by any person, shall be paid on demand to the commissioner. All money collected by the commissioner shall be deposited in the state treasury and credited to the livestock weighing fund, ~~and shall be paid out only on the order of the commissioner and the state's warrant.~~

Sec. 23. Minnesota Statutes 1992, section 18B.05, subdivision 2, is amended to read:

Subd. 2. [ANNUAL APPROPRIATION EXPENDITURES.] *Subject to appropriation by the legislature, money in the account, including the amount of interest attributable to money in the account and any money appropriated for the purposes of this chapter, is annually appropriated to may be used by the commissioner for the administration and enforcement of this chapter.*

Sec. 24. Minnesota Statutes 1992, section 18C.131, is amended to read:

18C.131 [FERTILIZER INSPECTION ACCOUNT.]

A fertilizer inspection account is established in the state treasury. The fees collected under this chapter *and interest attributable to money in the account* must be deposited in the state treasury and credited to the fertilizer inspection account. ~~Money in that account, including interest earned and money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration of this chapter.~~

Sec. 25. Minnesota Statutes 1992, section 21.115, is amended to read:

21.115 [FEES; SEED POTATO INSPECTION FUND.]

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to 21.122, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the state treasury and therein credited to the seed potato inspection fund of the commissioner, which fund is hereby created and ~~appropriated for carrying out the purposes of such sections.~~ Interest, if any, received on deposits of these moneys shall be credited to such fund, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 26. Minnesota Statutes 1992, section 21.92, is amended to read:

21.92 [SEED INSPECTION FUND.]

There is established in the state treasury an account known as the seed inspection fund. Fees and penalties collected by the commissioner under sections 21.80 to 21.92 *and interest attributable to money in the account* shall be deposited into this account. The rates at which the fees are charged may be adjusted pursuant to section 16A.128. ~~Money in this account, including interest earned and any appropriations made by the legislature for the purposes of sections 21.80 to 21.92, is annually appropriated to the commissioner for the administration and enforcement of sections 21.80 to 21.92.~~

Sec. 27. Minnesota Statutes 1992, section 25.39, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL FEED INSPECTION ACCOUNT.] A commercial feed inspection account is established in the state treasury. Fees and penalties collected under sections 25.35 to 25.44 *and interest attributable to money in the account* must be deposited in the state treasury and credited to the commercial feed inspection account. ~~Money in that account, including interest earned and money appropriated for the enforcement and administration of sections 25.35 to 25.44, is annually appropriated to the commissioner for the administration and enforcement of sections 25.35 to 25.44.~~

Sec. 28. Minnesota Statutes 1992, section 27.07, subdivision 6, is amended to read:

Subd. 6. [COOPERATIVE AGREEMENTS; FEES; ACCOUNT.] The commissioner may collect fees as provided for in cooperative agreements between the commissioner and the United States Department of Agriculture for the inspection of fresh fruits, vegetables, and other products. The fees *and interest attributable to money in the account* must be deposited in the state treasury and credited to a fruit and vegetables inspection account. ~~The money in the account, including interest earned, is appropriated to the commissioner to carry out the cooperative agreements.~~

Sec. 29. Minnesota Statutes 1992, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] Fees are payable by a processor or marketing organization by July 1 of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid within 30

days of the due date, the service must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label must be withdrawn. A processor may terminate payment and service without loss of the Grade A label if written notice of that intention is given prior to the due date of the payment of an assessment and if the continuous inspection of the plant is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section must be deposited in the state treasury and constitute a separate account to be known as the milk inspection service account, which is hereby created, set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and is in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture.

Sec. 30. Minnesota Statutes 1992, section 41A.09, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION.] A sum sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of ~~revenue~~ *agriculture* and all money so appropriated is available until expended.

Sec. 31. Minnesota Statutes 1992, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of ~~revenue~~ *agriculture* shall make cash payments from the account to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced on or before June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of wet alcohol on or before June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(c) The total payments from the account to all producers during the period beginning July 1, 1991, and ending June 30, 1993 may not exceed \$8,550,000. This amount may be paid in either fiscal year of the biennium. Total payments from the account to any producer in each fiscal year may not exceed \$3,000,000.

(4) The total payments from the account to all producers may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1993, and ending June 30, 2000. Total payments from the account to any producer in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 32. Minnesota Statutes 1992, section 84.027, is amended by adding a subdivision to read:

Subd. 11. [FEDERAL CONSERVATION GRANTS.] The commissioner of natural resources shall receive and administer grants under the land and water conservation grant program authorized by Congress in the Land and Water Conservation Fund Act of 1965, as amended.

Sec. 33. Minnesota Statutes 1992, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. The governor shall appoint, except for the legislative members, a citizen's council on Voyageurs National Park, consisting of 17 members as follows:

Four residents of Koochiching county;

Four residents of St. Louis county;

Five residents of the state at large from outside Koochiching and St. Louis counties;

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

The governor shall designate one of the appointees to serve as chair and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislator members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of nonlegislator members; and expiration of the council shall be as provided in section 15.059. *Notwithstanding section 15.059, subdivision 5, the council shall continue to exist.*

Sec. 34. [CUYUNA COUNTRY STATE RECREATION AREA.]

Subdivision 1. [85.013] [Subd. 5c.] [CUYUNA COUNTRY STATE RECREATION AREA.] Cuyuna country state recreation area is established in Crow Wing county.

Subd. 2. [ACQUISITION.] The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Cuyuna country state recreation area. The commissioner must manage the area for multiple

recreational use, including allowance of hunting, and provide for limited timber harvesting.

Subd. 3. [MINING.] The commissioner shall recognize the possibility that mining may be conducted in the future within the Cuyuna country state recreation area, and that use of portions of the surface estate and control of the flowage of water may be necessary for future mining operations.

Subd. 4. [ADVISORY COMMITTEE.] (a) A local area advisory committee is established to provide direction on the establishment, planning, development, and operation of the Cuyuna country state recreation area.

(b) Membership on the advisory committee shall include:

(1) a representative of the Cuyuna range mineland recreation area joint powers board;

(2) a representative of the Croft Mine historical park joint powers board;

(3) a designee of the Cuyuna range mineland reclamation committee who has worked as a miner in the local area;

(4) a representative of the Crow Wing county board;

(5) a state representative appointed by the speaker of the house of representatives;

(6) a state senator appointed by the senate committee on committees;

(7) a representative of the Brainerd regional office of the department of natural resources;

(8) a designee of the Iron Range resources and rehabilitation board;

(9) a designee of the local business community selected by the area chambers of commerce;

(10) a designee of the local environmental community selected by the Cuyuna country conservation club;

(11) a designee of a local education organization selected by the school board; and

(12) a designee of the local tourism community selected by the Cuyuna country tourism group.

(c) The advisory committee shall elect its own chair and meetings shall be at the call of the chair.

(d) The advisory committee shall serve as volunteers and accept no per diem.

Subd. 5. [MANAGEMENT PLAN.] The commissioner and local area advisory committee must cooperatively develop a comprehensive management plan that provides for multiple use recreation, protection of natural resources, allowance of hunting, snowmobiling, horse trails and forest management, interpretation of cultural and historic resources, land acquisition needs, fee structure, and road and facility development. The completed management plan shall serve as the master plan for purposes of Minnesota Statutes, section 86A.09.

Subd. 6. [BOUNDARIES.] The following described lands are located within the boundaries of Cuyuna country state recreation area:

That part of Crow Wing county, Minnesota, lying within:

Section 1, Township 46 North, Range 29 West.

EXCEPT that part of the Northwest Quarter lying west of the easterly right-of-way line of the Soo Line Railroad.

EXCEPT the South Half of the Southeast Quarter.

EXCEPT that part of the SE1/4 of the SW1/4 lying east of the easterly line of the Croft Mine Tract.

The Southeast Quarter of Section 2, Township 46 North, Range 29 West.

All of Sections 3 and 4, Township 46 North, Range 29 West.

EXCEPT Government Lot 2, Section 4, Township 46, Range 29.

That part of Section 5, Township 46 North, Range 29 West, lying southeasterly of the existing Township Road running through said Section 5.

Section 8, Township 46 North, Range 29 West.

EXCEPT the Southwest Quarter.

EXCEPT the South Half of the Northwest Quarter.

EXCEPT that part of the North Half of the Northwest Quarter, lying west of an existing Township Road thereof.

All of Section 9, Township 46 North, Range 29 West.

Section 10, Township 46 North, Range 29 West.

EXCEPT the East Half of the Southeast Quarter.

EXCEPT the SW1/4 of the SE1/4.

EXCEPT the SE1/4 of the SW1/4 thereof.

Section 11, Township 46 North, Range 29 West.

EXCEPT the South Half.

EXCEPT the South Half of the Northeast Quarter.

EXCEPT the SE1/4 of the NW1/4.

EXCEPT the North Half of the North Half of the Northwest Quarter.

EXCEPT that part of the NE1/4 of the NE1/4 lying southeasterly of the easterly right-of-way line of the railroad thereof.

That part of Section 16, Township 46 North, Range 29 West, lying northwest of Black Hoof Lake.

Section 19, Township 46 North, Range 29 West.

EXCEPT that part of the Southeast Quarter, lying southerly of the northerly right-of-way line of an existing Township Road.

That part of Section 34, Township 47 North, Range 29 West, bounded as follows:

On the North by the southerly right-of-way line of County State-Aid Highway No. 30.

On the West by the easterly right-of-way line of County State-Aid Highway No. 34.

On the East by the east line of said Section 34.

On the South by the south line of said Section 34.

That part of Section 33, Township 47 North, Range 29 West, lying southeasterly of the easterly right-of-way line of County State-Aid Highway No. 34.

Subject to easements of record for the following County Roads. An easement for C.S.A.H. No. 31 right-of-way purposes over, under and across the east line of said Section 1, also C.S.A.H. No. 30 easement for right-of-way purposes over, under and across the West Half of the Northwest Quarter and the Section line between said Sections 2 and 3, Township 46 North, Range 29 West and the Section line between Sections 34 and 35, Township 47 North, Range 29 West, also for County Road No. 128 right-of-way purposes over, under and across the Section line between said Sections 16 and 17 and between Sections 8 and 17, also C.S.A.H. No. 34 right-of-way purposes over, under and across the Section line between said Sections 4 of Township 46 North, Range 29 West and Section 33 of Township 47 North, Range 29 West; subject to an easement of record for State Highway No. 6 right-of-way purposes over, under and across the East Half of the Southwest Quarter of said Section 1 and the Section line between said sections 1 and 2; subject to any other easements, reservations and restrictions of record; subject to an easement for City of Ironton Street right-of-way purposes over, under and across the SW1/4 of the NW1/4 in Section 11, Township 46 North, Range 29 West, according to the recorded plat thereof.

Subject to easements of record for the following state roads, all Trunk Highway 6 and Trunk Highway 210 rights-of-way, in fee or easement, in the described land are exempted.

Subd. 7. [FEE.] Notwithstanding Minnesota Statutes, section 85.053, subdivision 2, no fee may be charged by the commissioner for use of the Cuyuna country state recreation area before May 1, 1994.

Subd. 8. [ADOPT-A-RECREATION AREA.] The commissioner must utilize Minnesota Statutes, section 85.045, as much as possible in development and operation of the Cuyuna country state recreation area.

Sec. 35. [85.019] [GRANTS-IN-AID FOR RECREATIONAL BETTERMENT.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms in this subdivision have the meanings given, except as otherwise expressly provided or indicated by the context.

(b) "Athletic courts" means special surface area and supporting equipment or structures, such as nets, hoops, and walls, that can be used for active games that have definite boundaries and are played on a marked surface, limited to basketball, volleyball, handball, and tennis.

(c) "Metropolitan council" and "metropolitan area" have the meanings given in section 473.121.

(d) "Unit of government" means a county, city and home rule charter city, town, school district, public post-secondary educational institution, special park district, or an elected park and recreation board having control over parks, parkways, playgrounds, and trees in a city of the first class.

Subd. 2. [GRANTS FOR PARKS AND TRAILS.] The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States Office of Management and Budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos, and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall be administered so as to ensure the maximum possible use of available federal money.

Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the cost of the betterment of the trail.

Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant may not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the commissioner shall consider, among other factors, evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.

Subd. 5. [POWERS; RULES.] The commissioner has all powers necessary and convenient to establish programs for recreational betterment grants-in-aid for parks, trails, and athletic courts under this section, including the authority to adopt rules for the program under chapter 14.

Sec. 36. Minnesota Statutes 1992, section 85.045, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] The purpose of the program is to encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining state parks, *state recreation areas*, monuments, historic sites, and trails.

Sec. 37. Minnesota Statutes 1992, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of state park items *and operation of Douglas Lodge* shall be deposited in the state treasury and be credited to the state parks working capital account. *Receipts and expenses from Douglas lodge shall be tracked separately within the account.* Money in the account is annually appropriated for the purchase and payment of expenses attributable to items for resale or rental *and operation of Douglas Lodge.* *Any excess receipts in this account are annually appropriated for state park management and interpretive programs.*

Sec. 38. Minnesota Statutes 1992, section 86A.04, is amended to read:

86A.04 [COMPOSITION OF SYSTEM.]

The outdoor recreation system shall consist of all ~~natural~~ state parks; ~~recreational~~ state parks *recreation areas*; state trails established pursuant to sections 84.029, subdivision 2, and 85.015; state scientific and natural areas; state wilderness areas; state forests; state wildlife management areas; state water access sites, which include all lands and facilities established by the commissioner of natural resources or the commissioner of transportation to provide public access to water; state wild, scenic, and recreational rivers; state historic sites; and state rest areas, which include all facilities established by the commissioner of transportation for the safety, rest, comfort and use of the highway traveler, and shall include all existing facilities designated as rest areas and waysides by the commissioner of transportation. Each individual ~~natural~~ state park, ~~recreational~~ state park *recreation area*, and so forth is called a "unit."

Sec. 39. Minnesota Statutes 1992, section 86A.05, subdivision 2, is amended to read:

Subd. 2. [NATURAL STATE PARK; PURPOSE; RESOURCE AND SITE QUALIFICATIONS; ADMINISTRATION.] (a) A ~~natural~~ state park shall be established to protect and perpetuate extensive areas of the state possessing those resources which illustrate and exemplify Minnesota's natural phenomena and to provide for the use, enjoyment, and understanding of such resources without impairment for the enjoyment and recreation of future generations.

(b) No unit shall be authorized as a ~~natural~~ state park unless its proposed location substantially satisfies the following criteria:

(1) Exemplifies the natural characteristics of the major landscape regions of the state, as shown by accepted classifications, in an essentially unspoiled or restored condition or in a condition that will permit restoration in the foreseeable future; or contains essentially unspoiled natural resources of sufficient extent and importance to meaningfully contribute to the broad illustration of the state's natural phenomena; and

(2) Contains natural resources, sufficiently diverse and interesting to attract people from throughout the state; and

(3) Is sufficiently large to permit protection of the plant and animal life and other natural resources which give the park its qualities and provide for a broad range of opportunities for human enjoyment of these qualities.

(c) ~~Natural~~ State parks shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision to preserve, perpetuate, and interpret natural features that existed in the area of the park prior to settlement and other significant natural, scenic, scientific, or historic features that are present. Management shall seek to maintain a balance among the plant and animal life of the park and to reestablish desirable plants and animals that were formerly indigenous to the park area but are now missing. Programs to interpret the natural features of the park shall be provided. Outdoor recreation activities to utilize the natural features of the park that can be accommodated without material disturbance of the natural features of the park or the introduction of undue artificiality into the natural scene may be permitted. Park use shall be primarily for aesthetic, cultural, and educational purposes, and shall not be designed to accommodate all forms or unlimited volumes of recreational use. Physical development shall be limited to those facilities necessary to complement the natural features and the values being preserved.

Sec. 40. Minnesota Statutes 1992, section 86A.05, subdivision 3, is amended to read:

Subd. 3. ~~[RECREATIONAL STATE PARK RECREATION AREA; PURPOSE; RESOURCE AND SITE QUALIFICATIONS; ADMINISTRATION.]~~

(a) A ~~recreational~~ state park ~~recreation area~~ shall be established to provide a broad selection of outdoor recreation opportunities in a natural setting which may be used by large numbers of people.

(b) No unit shall be authorized as a ~~recreational~~ state park ~~recreation area~~ unless its proposed location substantially satisfies the following criteria:

(1) Contains natural or artificial resources which provide outstanding outdoor recreational opportunities that will attract visitors from beyond the local area;

(2) Contains resources which permit intensive recreational use by large numbers of people; and

(3) May be located in areas which have serious deficiencies in public outdoor recreation facilities, provided that ~~recreational~~ state parks ~~recreation areas~~ should not be provided in lieu of municipal, county, or regional facilities.

(c) ~~Recreational~~ State parks ~~recreation areas~~ shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision primarily to provide as broad a selection of opportunities for outdoor recreation as is consistent with maintaining a pleasing natural environment. Scenic, historic, scientific, scarce, or disappearing resources within ~~recreational~~ state parks ~~recreation areas~~ shall be recommended for authorization as historic sites or designated scientific and natural areas pursuant to section 86A.08 to preserve and protect them. Physical development shall enhance and promote the use and enjoyment of the natural recreational resources of the area.

Sec. 41. Minnesota Statutes 1992, section 86A.08, subdivision 1, is amended to read:

Subdivision 1. [SECONDARY AUTHORIZATION; WHEN PERMITTED.] A unit of the outdoor recreation system may be authorized wholly or partially within the boundaries of another unit only when the authorization is consistent with the purposes and objectives of the respective units and only in the instances permitted below:

(a) The following units may be authorized wholly or partially within a ~~natural~~ state park: historic site, scientific and natural area, wilderness area, wild, scenic, and recreational river, trail, rest area, and water access site.

(b) The following units may be authorized wholly or partially within a ~~recreational~~ state park ~~recreation area~~: historic site, scientific and natural area, wild, scenic, and recreational river, trail, rest area, and water access site.

(c) The following units may be authorized wholly or partially within a state forest: ~~natural~~ state park, ~~recreational~~ state park ~~recreation area~~, historic site, wildlife management area, scientific and natural area, wilderness area, wild, scenic, and recreational river, trail, rest area, and water access site.

(d) The following units may be authorized wholly or partially within a state historic site: wild, scenic, and recreational river, trail, rest area, and water access site.

(e) The following units may be authorized wholly or partially within a state wildlife management area: state water access site.

(f) The following units may be authorized wholly or partially within a state wild, scenic, or recreational river: ~~natural~~ state park, historic site, scientific and natural area, wilderness area, trail, rest area, and water access site.

(g) The following units may be authorized wholly or partially within a state rest area: historic site, trail, wild, scenic, and recreational river, and water access site.

Sec. 42. Minnesota Statutes 1992, section 88.79, subdivision 2, is amended to read:

Subd. 2. [CHARGE FOR SERVICE; RECEIPTS TO GENERAL SPECIAL REVENUE FUND.] The commissioner of natural resources may charge the owner receiving such services such sums as the commissioner shall determine to be fair and reasonable. *The charges must account for differences in the value of timber.* The receipts from such services shall be credited to the ~~general~~ special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.

Sec. 43. Minnesota Statutes 1992, section 90.031, subdivision 4, is amended to read:

Subd. 4. The executive council may formulate and establish, from time to time, rules it deems advisable for the transaction of timber business of the state, including approval of the sale of timber on any tract in a lot exceeding ~~\$20,000~~ \$50,000 when the sale is in the best interests of the state, and may abrogate, modify, or suspend rules at its pleasure.

Sec. 44. Minnesota Statutes 1992, section 90.041, is amended by adding a subdivision to read:

Subd. 6. The commissioner may sell at public auction timber that has been damaged by fire, windstorm, flood, or other natural cause on notice that the commissioner considers reasonable when there is a high risk that the salvage value of the timber would be lost.

Sec. 45: Minnesota Statutes 1992, section 90.101, subdivision 1, is amended to read:

90.101 [TIMBER SOLD AT PUBLIC AUCTION, MAXIMUM LOTS OF ~~\$20,000~~ \$50,000.]

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$20,000~~ \$50,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except (1) to the highest bidder at public auction, or (2) if unsold at public auction the commissioner may offer the timber for private sale for a period of no more than 90 days after the public auction to any person who pays the appraised value for the timber. The minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located. In adjoining counties, sales may not be held less than two hours apart.

Sec. 46. Minnesota Statutes 1992, section 90.121, is amended to read:

90.121 [INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF ~~\$7,000~~ \$15,000.]

The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$7,000~~ \$15,000 in appraised value, in the same manner as timber sold at public auction under section 90.101, and related laws, subject to the following special exceptions and limitations:

(1) sales shall be at the forest office or other public facility most accessible to potential bidders or close to where the tract is located;

(2) the commissioner's list describing the tract, quantity of timber, and appraised price shall be compiled not less than 30 days before the date of sale and a copy of the list posted not less than 30 days before the date of the sale;

(3) notice of the sale shall be published once, not less than one week before the date of the sale;

(4) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold shall be available for a period of 90 days for purchase by persons eligible under this section at the appraised value;

(5) the bond or deposit required pursuant to section 90.161 or 90.173 shall be given or deposited before any cutting begins or not later than nine months after the date of sale, whichever is earlier;

(6) in lieu of the placing of the marks M I N on cut products as prescribed under section 90.151, subdivision 2, all landings of cut products shall be legibly marked with the name of the permit holder and the assigned permit number;

(7) no person may hold more than six permits issued under this section and no sale may be made to a person holding six permits which are still in effect or to a person having more than 20 employees;

(8) the permit may not exceed one year in duration;

(9) if the purchaser for good and sufficient reason is unable to cut the timber within the one year permit period, the commissioner may grant one extension for a period of up to one year from the date of expiration of the original permit without interest, and one additional extension of one year with interest at the rate in effect under section 549.09 at the time the extension is granted;

(10) if all cut timber, equipment, and buildings, are not removed at the end of any 120-day extension period which the commissioner may grant for removal, the commissioner may grant a second period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for hardship reasons only.

The auction sale procedure set forth in this section constitutes an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority possessed by the commissioner to sell timber in lots of \$7,000 \$15,000 or less.

Sec. 47. Minnesota Statutes 1992, section 90.201, is amended by adding a subdivision to read:

Subd. 4. When standing timber under a valid permit is damaged through fire, windstorm, flood, or other natural cause, the commissioner may reappraise the timber and modify the permit. The commissioner shall ensure that the reappraisal is in the best interest of the state and the trust.

Sec. 48. Minnesota Statutes 1992, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. However, in fiscal years 1987, 1988, 1989, 1990, 1991, 1992, 1993, and 1994 and 1995, ~~the this money received from the lease of permanent school fund lands that would otherwise be deposited into~~ *must be credited to the lakeshore sales account in the permanent school fund is hereby appropriated and, subject to appropriation, may be used to survey, appraise, and pay associated selling costs of lots as required in section 92.67, subdivision 3. The money appropriated may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling costs of lots, as required in section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.*

Sec. 49. Minnesota Statutes 1992, section 94.165, is amended to read:

94.165 [LAND ACQUISITION ACCOUNT.]

There is created in the state treasury a land acquisition account. ~~Subject to appropriation by law,~~ Money in the account is ~~available~~ *appropriated* to the commissioner of natural resources for the acquisition of natural resource lands or interests in lands within the outdoor recreation system established in chapter 86A. *The commissioner must file a report to the house ways and means and the senate finance committees and the environment and natural resources committees of the senate and house of representatives by October 1 of each year indicating all purchases and sales from this account.*

Sec. 50. [97A.028] [CROP PROTECTION ASSISTANCE.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Agricultural crops" means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, turf farms, and apiaries.

(c) "Specialty crops" means fruit orchards, vegetables, tree farms and nurseries, turf farms, and apiaries.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall establish a statewide program to provide technical assistance to persons for the protection of agricultural crops from destruction by wild animals. As part of the program, the commissioner shall develop and identify the latest and most effective abatement techniques; acquire appropriate demonstration supplies and materials required to meet specialized needs; train property owners, field staff, public land managers, extension agents, pest control operators, and others; provide technical manuals and brochures; and provide field personnel with supplies and materials for damage abatement demonstrations and short-term assistance and for the establishment of food or lure crops where appropriate.

Subd. 3. [EMERGENCY DETERRENT MATERIALS ASSISTANCE.] (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner and the commissioner that establishes a program for addressing the problem of destruction of specialty crops by wild animals on the landowner's property.

(b) A person may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of specialty crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, up to \$3,000 in value per individual or corporation, when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. A landowner may not receive emergency deterrent materials assistance under this subdivision more than once. A landowner who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 51. Minnesota Statutes 1992, section 97A.055, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The game and fish fund is established as a fund in the state treasury. The money in the fund is annually appropriated to the commissioner for the activities of the division of fish and wildlife and the division of enforcement.

Sec. 52. Minnesota Statutes 1992, section 97A.055, is amended by adding a subdivision to read:

Subd. 4. [ANNUAL REPORT.] (a) By November 15 each year, the commissioner shall report to the legislative committees having jurisdiction over appropriations and the environment and natural resources on:

(1) the amount of revenue from the following and purposes for which expenditures were made:

- (i) the fishing license surcharge under section 97A.475, subdivision 9;
- (ii) the small game license surcharge under section 97A.475, subdivision 4;
- (iii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);
- (iv) the trout and salmon stamp under section 97A.475, subdivision 10; and
- (v) the pheasant stamp under section 97A.475, subdivision 5, clause (2); and

(2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent.

(b) The report must include the commissioner's recommendations, if any, for changes in the laws relating to the stamps and surcharges referenced in paragraph (a).

Sec. 53. Minnesota Statutes 1992, section 97A.071, subdivision 2, is amended to read:

Subd. 2. [REVENUE FROM THE SMALL GAME LICENSE SURCHARGE.] Revenue from the small game surcharge shall be credited to the wildlife acquisition account and the money in the account shall be used by the commissioner for the purposes of this section, and acquisition and development of wildlife lands under section 97A.145, in accordance with appropriations made by the legislature.

Sec. 54. Minnesota Statutes 1992, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (4) and (5), and 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement or deer management programs.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 55. Minnesota Statutes 1992, section 97A.441, is amended by adding a subdivision to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner may issue, without an additional fee, a license to take additional deer with firearms under section 97B.301, subdivision 4, to a person who is an owner or tenant and lives on at least ten acres of agricultural land, as defined in section 97B.001, in an area where the commissioner has made these licenses available. Landowners and tenants applying for a license under this subdivision must receive preference over other applicants for the licenses.

(b) Persons who obtain a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season.

Sec. 56. Minnesota Statutes 1992, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] *The fee Fees for a fish house license licenses for a nonresident is \$21.50 are:*

- (1) *annual, \$25; and*
- (2) *seven consecutive days, \$14.*

Sec. 57. Minnesota Statutes 1992, section 97C.355, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] *A person may not take fish from a dark house or fish house unless the house is licensed and has a metal license tag attached to the exterior as prescribed by the commissioner, except as provided in this subdivision. The commissioner must issue a metal tag that is at least two inches in diameter with a 3/16 inch hole in the center with a dark house or fish house license. The metal tag must be stamped with a number to correspond with the license and the year of issue. A dark house or fish house license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.*

Sec. 58. Minnesota Statutes 1992, section 115A.90, is amended by adding a subdivision to read:

Subd. 6a. [SHREDDER RESIDUE.] *"Shredder residue" means the residue generated by shredding a motor vehicle, an appliance, or other source of recyclable steel after removing the reusable and recyclable materials.*

Sec. 59. Minnesota Statutes 1992, section 115A.908, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF REVENUE.] *Revenue collected shall be credited to the motor vehicle transfer account in the environmental fund.*

Sec. 60. Minnesota Statutes 1992, section 115A.908, subdivision 3, is amended to read:

Subd. 3. [REPEALER.] *This section is repealed on December 31, 1994 1996.*

Sec. 61. [115A.909] [SHREDDER RESIDUE; MANAGEMENT.]

The commissioner, in consultation with persons who are engaged in the business of shredding motor vehicles, appliances, and other sources of recyclable steel, shall study management of shredder residue. To the extent possible under state and federal law, the commissioner shall encourage reduction in the amount of residue generated, allow beneficial use of the residue, and minimize costs of management and disposal. The commissioner shall study all reasonably ascertainable alternatives for management of the residue, including use as cover material at solid waste disposal facilities, use in manufacture of refuse derived fuel, and any other resource recovery management technique.

Sec. 62. Minnesota Statutes 1992, section 115A.96, subdivision 3, is amended to read:

Subd. 3. [OTHER PARTICIPANTS.] *(a) The agency may establish or*

operate all or part of the management program or may provide for services by contract or other agreement with public or private entities.

(b) The agency shall allow these programs to accept up to 100 pounds of waste per year from a hazardous waste generator that generates 220 pounds or less of hazardous waste per month.

Sec. 63. Minnesota Statutes 1992, section 115A.96, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT.] Any person who establishes or operates all or part of a household hazardous waste management program shall manage collected waste in compliance with standards applicable to a hazardous waste generator. If collected waste must be stored for a time exceeding those standards, the agency or other entity shall obtain the approval of the commissioner of the agency and shall manage the waste in compliance with applicable standards for the use and management of containers, but no facility permit is required. *Waste accepted under subdivision 3, paragraph (b), must be managed in accordance with standards applicable to the waste.*

Sec. 64. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 1a. [TAXES IMPOSED.] Until January 1, 2004, a generator of hazardous waste shall pay a tax in an amount equal to the greater of the applicable base tax under subdivision 2a or the quantity tax determined under subdivision 3a.

Sec. 65. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 2a. [BASE TAX.] (a) The base tax for large quantity generators, as defined in rules of the agency, is \$500.

(b) The base tax for small quantity generators, as defined in rules of the agency, is \$200.

(c) The base tax for very small quantity generators, as defined in rules of the agency, that produce more than 100 pounds per year of hazardous waste is \$50.

(d) There is no base tax for very small quantity generators, as defined in rules of the agency, that produce 100 pounds or less per year of hazardous waste.

Sec. 66. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 3a. [QUANTITY TAX.] (a) The quantity tax does not apply to very small quantity generators, as defined in the rules of the agency. The quantity tax is determined as provided in paragraphs (b) to (d).

(b) Generators of hazardous waste managed using either of the following methods as defined in rules adopted under sections 115.03, 116.07, and 116.37 shall pay taxes on the waste at the rate of 1.5 cents per pound of solid or 15 cents per gallon of liquid:

(1) hazardous wastes that are hazardous prior to discharge to a publicly owned wastewater treatment works; and

(2) hazardous wastes managed as a hazardous waste fuel or using thermal treatment.

(c) Generators of hazardous waste managed using any of the following methods as defined in rules adopted under sections 115.03, 116.07, and 116.37 are exempt from paying taxes on the wastes:

(1) hazardous wastes that are destined for recycling, including waste accumulated, stored, or treated prior to recycling;

(2) hazardous waste that is destined for incineration at a permitted hazardous waste incineration facility in Minnesota;

(3) hazardous wastes that are either (i) pretreated to a nonhazardous state prior to discharge to a publicly owned treatment works, or (ii) treated to a nonhazardous state after treatment in an on-site treatment system, if the publicly owned treatment works or on-site treatment system is operated in accordance with a national pollution discharge elimination system permit, state disposal system permit, or both, issued by the agency; and

(4) hazardous wastes that are neutralized and are not otherwise hazardous waste after neutralizing.

(d) Generators of hazardous waste shall pay taxes on hazardous wastes managed using any other method not mentioned in this subdivision at the rate of three cents per pound of solid or 30 cents per gallon of liquid.

Sec. 67. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 4a. [HAZARDOUS WASTES NOT SUBJECT TO TAX.] The taxes imposed by this section do not apply to hazardous wastes generated as a result of a response action or hazardous wastes generated as a result of lead acid battery smelting.

Sec. 68. [115B.223] [HAZARDOUS WASTE GENERATOR LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A hazardous waste generator revolving loan program is established to provide loans to small businesses for the purpose of conducting response actions to clean up releases of hazardous waste.

Subd. 2. [RULES.] (a) The commissioner of the pollution control agency may adopt rules regarding practices and procedures including, but not limited to:

(1) form and procedure for loan application;

(2) terms for loans and loan repayment; and

(3) criteria for eligibility.

(b) The commissioner of the pollution control agency may adopt emergency rules under this subdivision for one year following the effective date of this section.

Subd. 3. [ELIGIBLE BORROWER.] To be eligible for a loan under this section, a borrower must:

(1) be a generator of hazardous waste;

- (2) have a release or suspected release of hazardous waste;
- (3) own or operate the facility at which the release of hazardous waste occurred;
- (4) have less than 50 full-time employees;
- (5) have an after-tax profit of less than \$500,000; and
- (6) have a net worth of less than \$1,000,000.

Subd. 4. [LOAN APPLICATION PROCEDURE.] *An eligible borrower may apply for a loan after the commissioner approves a plan for the response actions. Loans will be awarded to eligible borrowers in the order that applications are received by the pollution control agency.*

Subd. 5. [LIMITATION ON LOAN OBLIGATION.] *A loan made under this section is limited to the money available in the hazardous waste generator loan account.*

Subd. 6. [LOAN CONDITIONS.] *A loan made under this section must include:*

- (1) an interest rate of one percent less than the prime rate;
- (2) a term of payment of not more than five years; and
- (3) an amount not less than \$1,000 or exceeding \$50,000.

Sec. 69. [115B.224] [HAZARDOUS WASTE GENERATOR LOAN ACCOUNT.]

The hazardous waste generator loan account is established in the environmental response, compensation, and compliance account for the purposes described in section 115B.223. Money in the account is annually appropriated to the commissioner of the pollution control agency for the purposes of this section. Loan repayments must be credited to the hazardous waste generator loan account.

Sec. 70. Minnesota Statutes 1992, section 115B.24, subdivision 6, is amended to read:

Subd. 6. [PAYMENT BY OUT-OF-STATE GENERATORS.] *A generator of any hazardous waste which is generated outside of this state and is transported into this state for long-term containment or treatment as described in section 115B.22, subdivisions 2 to 5 treatment or disposal shall pay the tax imposed by section 115B.22 at the first point at which the hazardous wastes are received by a person in this state for storage, treatment or long-term containment treatment or disposal. The tax shall be paid to the person who first receives the wastes in this state at the time the waste is received and shall be remitted by that person to the commissioner of revenue quarterly in the form and manner provided by the commissioner.*

Sec. 71. Minnesota Statutes 1992, section 115B.42, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] *Subject to appropriation, money in the account may be spent for:*

- (1) inspection of mixed municipal solid waste disposal facilities to:

(4) (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) (iii) determine the boundaries of fill areas; and

(2) response actions at mixed municipal solid waste disposal facilities under chapter 115B.

Sec. 72. Minnesota Statutes 1992, section 115D.07, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT TO PREPARE AND MAINTAIN A PLAN.] (a) Persons who operate a facility required by United States Code, title 42, section 11023, or section 299K.08, subdivision 3, to submit a toxic chemical release form shall prepare a toxic pollution prevention plan for that facility. The plan must contain the information listed in subdivision 2.

(b) Except as provided in paragraphs (d) and (e), for facilities that release less than a total of 10,000 pounds or more of toxic pollutants annually, the plan must be completed as follows:

(1) on or before July 1, 1991, for facilities having a two-digit standard industrial classification of 35 to 39;

(2) by January 1, 1992, for facilities having a two-digit standard industrial classification of 28 to 34; and

(3) by July 1, 1992, for all other persons required to prepare a plan under this subdivision.

(c) Except as provided in paragraphs (d) and (e), facilities that release less than a total of 10,000 pounds of toxic pollutants annually must complete their plans by July 1, 1992.

(d) For the following facilities, the plan must be completed as follows:

(1) by January 1, 1995, for facilities required to report under section 299K.08, subdivision 3, that have a two-digit standard industrial classification of 01 to 50; and

(2) by July 1, 1995, for facilities required to report under section 299K.08, subdivision 3, that have a two-digit standard industrial classification of 51 to 99.

(e) For facilities that become subject to this subdivision after July 1, 1993, the plan must be completed by six months after the first submittal for the facility under United States Code, title 42, section 11023, or section 299K.08, subdivision 3.

(f) Each plan must be updated every two years and must be maintained at the facility to which it pertains.

Sec. 73. Minnesota Statutes 1992, section 115D.10, is amended to read:

115D.10 [TOXIC POLLUTION PREVENTION EVALUATION REPORT.]

The director, in cooperation with the commissioner and commission, shall report to the environment and natural resources committees of the legislature ~~annually~~ on progress being made in achieving the objectives of sections 115D.01 to 115D.12. The report must be submitted by ~~December 15~~ February 1 of each even-numbered year, ~~beginning in 1992~~.

Sec. 74. Minnesota Statutes 1992, section 115D.12, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission, and owners or operators of facilities listed in section 299K.08, subdivision 3, shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 11, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year. The fees shall be deposited in the state treasury and credited to the environmental fund.

Sec. 75. [115D.14] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *As used in sections 64 and 65, the terms defined in this section have the meanings given.*

Subd. 2. [AGENCY.] *"Agency" means the pollution control agency.*

Subd. 3. [INTEGRITY OF AQUATIC OR TERRESTRIAL ECOSYSTEMS.] *"Integrity of aquatic or terrestrial ecosystems" means the maintenance of mutually beneficial species of plants and animals and of other natural characteristics so that the biological viability of the ecosystem is ensured.*

Subd. 4. [TOXIC AIR CONTAMINANT.] *"Toxic air contaminant" means an air contaminant that may cause or contribute to an increase in mortality or an increase in a chronic or an acute illness, or which may pose a present or potential hazard to human health or the integrity of aquatic or terrestrial ecosystems.*

Sec. 76. [115D.15] [REPORTS TO THE LEGISLATURE.]

Subdivision 1. [INITIAL REPORT.] *By January 1, 1995, the agency must submit to the environment and natural resources committees of the legislature a report that includes:*

(1) *a five-year regulatory strategy to protect the public health and the environment from emissions of toxic air contaminants; and*

(2) a list prioritizing and categorizing facilities emitting toxic air contaminants.

Subd. 2. [CONTINUING REPORTS.] Beginning January 1, 1997, and every two years thereafter, the agency shall submit to the legislative committees with jurisdiction over environment and natural resource issues a report that provides an update of the following:

(1) an analysis of the achievements, shortfalls, and resource needs for implementing the agency's strategy under subdivision 1, clause (1);

(2) an analysis of the data collected from the agency's statewide monitoring and inventory program under section 116.454;

(3) an analysis of reductions in emissions of toxic air contaminants; and

(4) an updated list prioritizing and categorizing facilities emitting toxic air contaminants.

Sec. 77. Minnesota Statutes 1992, section 116.07, is amended by adding a subdivision to read:

Subd. 10. [SOLID WASTE ASSESSMENTS.] (a) A person that collects mixed municipal solid waste shall collect and remit to the commissioner of revenue a solid waste assessment from each of the person's customers as provided in paragraphs (b) and (c).

(b) The amount of the assessment for each residential customer is \$2 per year. Each waste collector shall collect the assessment annually from each residential customer that is receiving waste collection service on July 1 of each year and shall remit the amount collected along with the collector's first remittance of the sales tax on solid waste collection services, described in section 297A.45, made after October 1 of each year. Any amount of the assessment that is received by the waste collector after October 1 of each year must be remitted along with the collector's next remittance of sales tax after receipt of the assessment.

(c) The amount of the assessment for each nonresidential customer is 12 cents per noncompacted cubic yard of periodic waste collection capacity purchased by the customer. Each waste collector shall collect the assessment from each nonresidential customer as part of each statement for payment of waste collection charges and shall remit the amount collected along with the next remittance of sales tax after receipt of the assessment.

(d) The commissioner of revenue shall redesign sales tax forms for solid waste collectors to accommodate payment of the assessment. The commissioner of revenue shall deposit the amounts remitted under this subdivision in the environmental fund and shall credit four-sevenths of the receipts to the landfill cleanup account established in section 115B.42.

(e) For the purposes of this subdivision, a "person that collects mixed municipal solid waste" means each person that pays sales tax on solid waste collection services under section 297A.45.

(f) The audit, penalty, enforcement, and administrative provisions applicable to taxes imposed under chapter 297A apply to the assessments imposed under this subdivision.

Sec. 78. Minnesota Statutes 1992, section 116J.401, is amended to read:

116J.401 [POWERS AND DUTIES.]

The commissioner of trade and economic development shall:

(1) provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice on using federal and state programs;

(2) receive and administer the small cities community development block grant program authorized by Congress under the Housing and Community Development Act of 1974, as amended;

(3) receive and administer the section 107 technical assistance program grants authorized by Congress under the Housing and Community Development Act of 1974, as amended;

(4) receive and administer grants for the Minnesota jail resource center authorized by Congress under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended;

~~(5) receive and administer the land and water conservation grant program authorized by Congress under the Land and Water Conservation Fund Act of 1965, as amended;~~

~~(6) receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07; and~~

~~(7) (6) receive applications for state and federal grants and grant programs for planning, community affairs, and community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07.~~

Sec. 79. Minnesota Statutes 1992, section 116P.10, is amended to read:

116P.10 [ROYALTIES, COPYRIGHTS, PATENTS.]

This section applies to projects supported by the trust fund, the Minnesota future resources fund, and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund." The trust fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of the project's total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the trust fund.

Sec. 80. Minnesota Statutes 1992, section 297A.45, is amended by adding a subdivision to read:

Subd. 5. [SEPARATE ACCOUNTING.] The commissioner shall account for revenue collected from public and private mixed municipal solid waste collection and disposal services under this section separately from other tax revenue collected under this chapter.

Sec. 81. Minnesota Statutes 1992, section 299K.08, is amended by adding a subdivision to read:

Subd. 3. [TOXIC CHEMICAL RELEASE REPORTING.] (a) Except as provided in paragraph (b), in addition to facilities specified in the federal act, the following facilities shall comply with the toxic chemical release reporting requirements of section 11023 of the federal act and United States Code, title 42, section 13106, to the same extent as facilities that are required by federal law to comply with these requirements: facilities having a two-digit standard industrial classification of 10, 40, 45, or 49; a three-digit standard industrial classification of 806, 807, or 822; or a four-digit standard industrial classification of 5161, 5162, 5169, 7384, 7389 (solvent recovery facilities only), 8734, or 9223.

(b) For the facilities added in this section, the toxic chemical release reporting requirements of section 11023 of the federal act, and sections 115D.07, 115D.08, and 115D.12, do not apply to substances that are associated with or incidental to the combustion of fossil fuels or other fuels for the generation of electricity or the production of steam.

Sec. 82. Minnesota Statutes 1992, section 299K.08, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTIONS.] (a) A person may petition the commission to:

(1) exempt all facilities having a standard industrial classification listed in subdivision 3, or a classification within one of the listed classifications, from the reporting requirements of subdivision 3; or

(2) review a previously granted exemption.

(b) In making a determination on a petition under paragraph (a), the commission shall consider:

(1) the reported or estimated releases and transfers from facilities within the affected classification;

(2) the quality of the data submitted;

(3) the extent to which facilities within the affected classification report no releases or transfers;

(4) the number of reporting facilities in the affected classification;

(5) the percentage of all releases and transfers in the state that are reported by facilities in the affected classification;

(6) hazards to public safety and the environment posed by releases and transfers from facilities in the affected classification; and

(7) other factors identified by the commission.

(c) The commission shall hold at least one public meeting to receive testimony on the petition. The commission shall publish in the State Register notice of granted exemptions. The commission shall report on the status of petitions and exemptions as part of the annual toxic release inventory report.

(d) A facility specified in paragraph (a) that is not within a classification exempted under paragraph (b) and does not release or transfer chemicals subject to reporting under section 11023 of the federal act is exempt from reporting under subdivision 3 if the owner or operator of the facility certifies

in writing to the commission that there are no releases or transfers at the facility. The certification must be submitted to the commission by the first reporting date for the facility under the federal act. The facility is exempt from further reporting unless there is a release or transfer from the facility or there is a change in the facility's standard industrial classification. Facilities that qualify for this exemption shall maintain documentation supporting the exemption and shall provide this documentation at the request of the commission.

Sec. 83. Minnesota Statutes 1992, section 473.351, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN COUNCIL OBLIGATION.] Annually before August 1 the metropolitan council shall distribute grant money received from the commissioner of ~~trade and economic development~~ *natural resources* to fund the operation and maintenance expenditures of the implementing agencies for the operation and maintenance of regional park and open space systems. The metropolitan council shall annually report to the legislature the amount distributed to each implementing agency and its estimate of the percentage of operation and maintenance expenditures paid for with operation and maintenance money.

Sec. 84. [ADMINISTRATION OF EXISTING UNITS NOT AFFECTED.]

This act does not affect the administration, as defined in Minnesota Statutes, section 86A.03, subdivision 4, of state parks and recreation areas in existence before July 1, 1993.

Sec. 85. [MODIFICATION OF TIMBER PERMITS.]

The commissioner may modify a timber permit covering standing timber that was damaged as a result of windstorms that occurred on September 16, 1992. This subdivision expires June 1, 1995.

Sec. 86. [LAKE SUPERIOR DIVER ACCESS.]

The \$20,000 appropriated by Laws 1991, chapter 254, article 1, section 14, subdivision 3(h), for diver access at Split Rock Lighthouse state park may be used for diver access at other areas along the north shore of Lake Superior.

Sec. 87. [INFORMATION POLICY OFFICE (IPO) APPROVAL.]

Appropriations for information systems shall not be allotted until the commissioner of the agency certifies to the commissioner of finance that all IPO project requirements have been met or will be met. If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 88. [INSURANCE BUYOUT FORMULA FOR LANDFILL LIABILITY.]

The commissioner of commerce shall prepare a recommended formula for determining a specific amount an insurance company may tender to the state in lieu of payment of benefits, if any, under all policies issued by the company which may be claimed to provide coverage for damages arising out of contamination at permitted mixed municipal solid waste disposal facilities. By November 1, 1993, the commissioner shall submit the recommended formula to the senate committees on environment and natural resources and commerce and consumer protection and the house of representatives committees on environment and natural resources and financial institutions and insurance.

The formula must take into account the likelihood and extent of coverage, if any, under the policies, and other factors determined by the commissioner to be relevant. The commissioner shall also report on the fiscal impact of the formula on insurance companies which may have issued policies. The commissioner shall consult with insurance industry representatives in developing the formula. The commissioner may contract with actuaries and other consultants in developing the formula. The commissioner of the pollution control agency shall cooperate with the commissioner of commerce in developing the formula.

Sec. 89. [CLAIMS OF MARSHALL COUNTY RELATING TO CONSOLIDATED CONSERVATION LANDS.]

The commissioner of natural resources shall review claims from Marshall county for road construction and maintenance costs from 1986 to 1992 that are payable under Minnesota Statutes, section 84A.32, subdivision 1, paragraph (d), and shall pay appropriate amounts from the state portion of Marshall county receipts. The commissioner shall prepare a five-year projection of receipts available to pay the claims and report the amounts to the county and the legislature. Claims for calendar year 1993 and subsequent years must be submitted on forms provided by the commissioner by April 15 of the following calendar year.

Sec. 90. [SHREDDER RESIDUE; GRANTS.]

The commissioner of the pollution control agency may make a grant to a person engaged in the business of shredding and recycling motor vehicles, appliances, and other sources of recyclable steel for the purposes of studying the feasibility of alternative methods of managing shredder residue left over after the reusable and recyclable materials are removed. A person applying for a grant shall include in the application a list of the activities the person will undertake and reasonable estimates of the costs of those activities. The commissioner shall determine the amount of the grant, not to exceed \$300,000 or 50 percent of the total cost of the studies proposed in the grant application, whichever is less.

A person receiving a grant under this section may use the proceeds of the grant for the costs of:

- (1) determining and testing methods of reducing the amount of shredder residue and the amount of hazardous constituents in the residue;*
- (2) periodic testing of shredder residue for hazardous constituents over a limited time period to be determined by the commissioner, but not less than six months;*
- (3) research and development of potential beneficial uses of the residue, including any preprocessing methods that may be applied to the residue to enable it to be beneficially used; and*
- (4) any necessary testing of alternative management technologies to determine the environmental and economic effects of the technologies.*

Sec. 91. [STUDY; WEIGHTING HAZARDOUS SUBSTANCES BY SEVERITY OF HAZARD.]

The commissioner of the pollution control agency shall study the feasibility and advisability of weighting hazardous substances by the severity of the hazards associated with the substances for the purposes of assessing hazard-

ous waste generator fees under Minnesota Statutes 1992, section 116.12, hazardous waste generator taxes under Minnesota Statutes 1992, section 115B.22, toxic pollution prevention fees under Minnesota Statutes 1992, section 115D.12, and any other fees paid by persons who use, store, transport, or treat hazardous substances or who generate hazardous waste or emit hazardous substances to the air, land, or waters of the state. By January 15, 1994, the commissioner shall report the findings of the study to the legislative commission on waste management and to each chair and member of the environment and natural resources policy and finance committees of the legislature.

Sec. 92. [SOLID WASTE FEE STUDY.]

The director of the office of waste management, in consultation with the commissioner of the pollution control agency, shall conduct a study of all taxes, surcharges, service charges, license fees, utility fees, permit fees, and all other taxes, surcharges, or fees imposed on solid waste collection, processing, or disposal by state, county, and local units of government. The study shall include the rate and amount of each charge collected and shall include analysis of the use of all the money collected. The study shall be completed by December 1, 1994, and shall be submitted to the legislative commission on waste management and the environment and natural resources finance committees and divisions of the legislature. The study shall recommend appropriate sources of revenue for funding of:

- (1) agency solid waste regulatory activities;
- (2) solid waste management activities of local units of government; and
- (3) the appropriateness of redirecting existing waste management fees to the cleanup of landfills.

Sec. 93. [REPEALER.]

- (a) Minnesota Statutes 1992, sections 115B.21, subdivisions 4 and 6; and 115B.22, subdivisions 1, 2, 3, 4, 5, and 6, are repealed on January 1, 1994.
- (b) Minnesota Statutes 1992, section 116J.406, is repealed.
- (c) Minnesota Statutes 1992, sections 115B.21 to 115B.24, are repealed effective January 1, 2004.

Sec. 94. [EFFECTIVE DATES.]

Sections 5, subdivision 10; 44; 47; 85; and 86 are effective the day following final enactment. Sections 43; 45; and 46 are effective August 1, 1993. Sections 64 and 80 are effective January 1, 1994."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; establishing the Cuyuna country state recreation area; modifying provisions relating to timber sales; providing for crop protection assistance; establishing a grant program to determine how to manage motor vehicle shredder residue; imposing a solid waste assessment; modifying the hazardous waste generator

tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; requiring reports relating to toxic air contaminants; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 41A.09, subdivisions 1 and 3; 84.027, by adding a subdivision; 84B.11, subdivision 1; 85.045, subdivision 2; 85.22, subdivision 2a; 86A.04; 86A.05, subdivisions 2 and 3; 86A.08, subdivision 1; 88.79, subdivision 2; 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; 90.201, by adding a subdivision; 92.46, subdivision 1; 94.165; 97A.055, subdivision 1, and by adding a subdivision; 97A.071, subdivision 2; 97A.075, subdivision 1; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 115A.90, by adding a subdivision; 115A.908, subdivisions 2 and 3; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116.07, by adding a subdivision; 116J.401; 116P.10; 297A.45, by adding a subdivision; 299K.08, by adding subdivisions; and 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 115B.21; 115B.22; 115B.23; 115B.24; and 116J.406.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Steven Morse, Gene Merriam, Gary W. Laidig, Janet B. Johnson, Bob Lessard

House Conferees: (Signed) David Battaglia, Tom Osthoff, Steve Trimble, Willard Munger, Virgil J. Johnson

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1570 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1570 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Morse	Runbeck
Anderson	Flynn	Laidig	Neuville	Sams
Beckman	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Berg	Janezich	Lesewski	Olson	Spear
Berglin	Johnson, D.E.	Lessard	Pappas	Stevens
Bertram	Johnson, D.J.	Luther	Pariseau	Stumpf
Betzold	Johnson, J.B.	Marty	Piper	Terwilliger
Chandler	Johnston	McGowan	Pogemiller	Vickerman
Chmielewski	Kelly	Merriam	Price	Wiener
Cohen	Kiscaden	Metzen	Ranum	
Day	Knutson	Moe, R.D.	Reichgott	
Dille	Krentz	Mondale	Riveness	

Mrs. Benson, J.E. and Ms. Robertson voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Stumpf moved that H.F. No. 574 be taken from the table. The motion prevailed.

H.F. No. 574: A bill for an act relating to retirement; administrative changes, age discrimination act compliance, death-while-active surviving spouse benefit improvements by the Minnesota state retirement system, the public employees retirement association, and teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, and 7; 352.115, subdivision 8; 352.12, subdivisions 1, 2, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivisions 3 and 11; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.105; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding subdivisions; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1 and 5a; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivisions 1 and 2; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352D.05, subdivision 5; and 353.656, subdivision 6.

RECONSIDERATION

Having voted on the prevailing side, Mr. Frederickson moved that the vote whereby the Frederickson amendment to H.F. No. 574 was adopted on May 5, 1993, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Mr. Frederickson withdrew his amendment.

Mr. Riveness moved to amend the Kroening amendment to H.F. No. 574, adopted by the Senate May 5, 1993, as follows:

Page 3, delete section 43 and insert:

“Sec. 43. [STUDY OF BENEFIT OPTIONS FOR PUBLIC EMPLOYEES WHO BECOME NONPUBLIC EMPLOYEES.]

The legislative commission on pensions and retirement shall study the issue of benefit options for public employees who become nonpublic employees for the purpose of determining whether the employees should have the same or similar benefits subsequent to public employment as they did during public employment. The commission shall report the results of the study and any proposed legislation to the chairs of the committee on governmental operations and gaming and the committee on ways and means of the house of representatives and the committee on governmental operations and reform and the committee on finance of the senate by January 15, 1994."

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 574 as follows:

Page 101, after line 15, insert:

“ARTICLE 9

VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION

Section 1. Minnesota Statutes 1992, section 424A.10, subdivision 3, is amended to read:

Subd. 3. [STATE REIMBURSEMENT.] By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association. *A sum sufficient to make the payments is appropriated from the general fund to the commissioner of revenue.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to reimbursements payable March 15, 1993, and thereafter."

Amend the title as follows:

Page 1, line 7, after the semicolon, insert “providing an open appropriation for payment of state reimbursement for supplemental retirement benefits paid to volunteer firefighters;”

Page 1, line 38, delete “and”

Page 1, line 39, after the semicolon, insert “and 424A.10, subdivision 3;”

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 574 as follows:

Page 101, after line 15, insert:

“ARTICLE 9

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

Section 1. Minnesota Statutes 1992, section 422A.05, subdivision 1, is amended to read:

Subdivision 1. The members of the retirement board shall be the trustees and custodians of the several funds created by sections 422A.01 to 422A.25 and shall have exclusive control and management of these funds, and power to invest them and to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created by sections 422A.01 to 422A.25 shall have been invested as well as the proceeds of the investments, and of the money belonging to these funds. *The power to manage and invest the assets of the funds must be exercised by the retirement board solely through professional investment or property management firms that are independent of the retirement fund. No financial or property assets of the funds may be managed, serviced, or invested internally or in-house at the retirement fund, except that any investment held by a fund on February 1, 1993, that is not readily tradeable on an established securities exchange may continue to be managed directly by the retirement board until the investment is converted to cash. The retirement board's functions under this section consist primarily of establishing and effectuating investment policy and structure, managing the investment process, monitoring and measuring the performance of the external independent professional investment or property management firms, retaining or terminating agreements with these firms, apportioning the assets of the funds to be managed among these firms, and making financial decisions on issues if approvals have been specifically reserved by and to the board.*

Sec. 2. Minnesota Statutes 1992, section 422A.05, subdivision 2a, is amended to read:

Subd. 2a. [FIDUCIARY DUTY.] (a) In the discharge of their respective duties, the members of the board, the executive director, the board staff, and any other person charged with the responsibility of ~~investing money~~ *servicing assets of the funds* pursuant to the standards set forth in this chapter shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom. In addition, the members of the board and the chief administrative officer shall act in a manner consistent with chapter 356A.

(b) *Individuals authorized by the board to manage or invest the assets of the funds must act in a manner consistent with chapter 356A. In addition, these individuals must act in good faith and exercise that degree of judgment, skill, diligence, and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence acting in a like capacity and familiar with the activity would exercise.*

Sec. 3. Minnesota Statutes 1992, section 422A.08, subdivision 5, is amended to read:

Subd. 5. Any contributor ~~or retired employee~~ who prior to entering the service of the city was an employee of a public corporation, ~~shall be allowed~~ *is authorized, using the procedure in subdivision 5a, to purchase allowable service credit in the retirement fund for employment by the public corporation in the same manner as though the service had been rendered to the city, providing that the individual has not received service credit and is not eligible to receive service credit for this period under any other plan or fund listed in section 356.30, subdivision 3. Before receiving credit for service rendered to*

a public corporation as herein set forth, the contributing ~~or~~ retired employee shall make application therefor in writing to the retirement board, and shall contribute to the retirement fund the amount which would have been contributed had the employee been a contributing member of the fund during the time the service was rendered to the public corporation, plus six percent compound interest to date of payment or date of retirement, with the total amount to be determined by the retirement board amount specified in subdivision 5a.

Sec. 4. Minnesota Statutes 1992, section 422A.08, is amended by adding a subdivision to read:

Subd. 5a. [PURCHASE PAYMENT AMOUNT.] (a) To purchase credit for prior service under this section, there must be paid to the Minneapolis employees retirement fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. Calculation of this amount must be made using the applicable preretirement interest rate for the association specified in section 356.215, subdivision 4d, and the mortality table adopted for the fund. The calculation must assume continuous future service in the fund until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the applicable salary increase rate for the fund or association specified in section 356.215, subdivision 4d. The member must establish in the records of the fund proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director.

(b) Payment must be made in one lump sum.

(c) Payment of the amount calculated under this subdivision must be made by the member. However, the current or former governmental subdivision employer of the member may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 5. Minnesota Statutes 1992, section 422A.101, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL REQUIREMENTS OF FUND.] Prior to ~~August~~ July 31 annually, the retirement board, in consultation with the commission-retained actuary, shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund, the board of special school district No. 1, and the state commissioner of finance prior to

September 15 July 31 annually. The statement shall be itemized and shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, ~~which shall be determined by multiplying, by the factor of 1.035, the figure for administrative expenses as reported in the most recent actuarial valuation prepared by the commission-retained actuary,~~ including the amount necessary to amortize through June 30, 2020, the annual costs that are determined by the retirement board to be related to investment activities of the deposit accumulation fund other than actual investment transaction amounts;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation prepared by the commission-retained actuary and expressed as a percentage of covered payroll to the estimated total covered payroll of all employees covered by the fund for the following year;

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded actuarial accrued liability of the fund by June 30, 2020, using an interest rate of six percent compounded annually as reported in the most recent actuarial valuation, prepared by the commission-retained actuary expressed as a dollar amount. In determining the amount of the unfunded actuarial accrued liability of the fund, all assets other than the assets of the retirement benefit fund shall be valued as current assets as defined under section 356.215, subdivision 1, clause (6), and the assets of the retirement benefit fund shall be valued equal to the actuarially determined required reserves for benefits payable from that fund;

(4) the amount of any deficiency in the actual amount of any employer contribution provided for in this section when compared to the required contribution amount certified for the previous year, plus interest on the amount at the rate of six percent per annum.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 574 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Metzen	Price
Anderson	Dille	Kiscaden	Moe, R.D.	Rantum
Beckman	Finn	Knutson	Mondale	Riveness
Belanger	Flynn	Krentz	Murphy	Robertson
Benson, D.D.	Frederickson	Kroening	Neuville	Sams
Benson, J.E.	Hanson	Laidig	Novak	Samuelson
Berg	Hottinger	Langseth	Oliver	Spear
Berglin	Janezich	Larson	Olson	Stevens
Bertram	Johnson, D.E.	Lesewski	Pappas	Stumpf
Betzold	Johnson, D.J.	Lessard	Pariseau	Terwilliger
Chandler	Johnson, J.B.	Marty	Piper	Vickerman
Chmielewski	Johnston	McGowan	Pogemiller	Wiener

Messrs. Cohen, Luther, Merriam and Ms. Runbeck voted in the negative. So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 735 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 735: A bill for an act relating to highway traffic regulations; implements of husbandry; defining implements of husbandry; exempting trailers that carry dry fertilizer from vehicle registration tax; reducing the maximum speed limit for implements of husbandry to 25 miles per hour; requiring hazard warning lights on implements of husbandry; regulating brakes on implements of husbandry; imposing certain size and weight restrictions; requiring slow-moving vehicle safety to be included in driver examinations and driver education courses; amending Minnesota Statutes 1992, sections 168.012, subdivision 2b; 169.01, subdivision 55; 169.145; 169.18, subdivision 5; 169.47; 169.55, subdivision 2, and by adding a subdivision; 169.64, subdivision 6; 169.67, subdivisions 3, 4, and by adding a subdivision; 169.72, subdivision 1; 169.781, subdivision 3; 169.80, subdivisions 1 and 2; 169.82; 169.86, subdivision 5; and 171.13, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Mr. Dille moved that the amendment made to H.F. No. 735 by the Committee on Rules and Administration in the report adopted May 4, 1993, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Dille then moved to amend H.F. No. 735 as follows:

Page 4, after line 10; insert:

“Sec. 6. Minnesota Statutes 1992, section 169.522, subdivision 1, is amended to read:

Subdivision 1. [DISPLAYING EMBLEM; RULES.] (a) All animal-drawn vehicles, motorized golf carts when operated on designated roadways pursuant to section 169.045, implements of husbandry *with load*, and other machinery, including all road construction machinery, which are designed for operation at a speed of 25 miles per hour or less shall display a triangular slow-moving vehicle emblem, except (1) when being used in actual construction and maintenance work and traveling within the limits of a construction area which is marked in accordance with requirements of the manual of uniform traffic control devices, as set forth in section 169.06, or (2) for a *towed implement of husbandry that is empty and that is not self-propelled, in which case it may be towed at lawful speeds greater than 25 miles per hour without removing the slow moving vehicle emblem*. The emblem shall consist of a fluorescent yellow-orange triangle with a dark red reflective border and be mounted so as to be visible from a distance of not less than 600 feet to the rear. When a primary power unit towing an implement of husbandry or other machinery displays a slow-moving vehicle emblem visible from a distance of 600 feet to the rear, it shall not be necessary to display a similar emblem on the secondary unit. After January 1, 1975, all slow-moving vehicle emblems sold in this state shall be so designed that when properly mounted they are

visible from a distance of not less than 600 feet to the rear when directly in front of lawful lower beam of head lamps on a motor vehicle. The commissioner of public safety shall adopt standards and specifications for the design and position of mounting the slow-moving vehicle emblem. Such standards and specifications shall be adopted by rule in accordance with the administrative procedure act. A violation of this section shall not be admissible evidence in any civil cause of action arising prior to January 1, 1970.

(b) An alternate slow-moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow-moving vehicle emblem must:

(1) carry in the vehicle a regular slow-moving vehicle emblem and display the emblem when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix to the rear of the slow-moving vehicle at least 72 square inches of reflective tape that reflects the color red."

Page 7, line 1, delete "owned" and insert "used"

Page 7, line 2, delete "owner's" and insert "user's"

Page 7, line 3, delete "owner" and insert "user"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 735 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Ranum
Anderson	Dille	Knutson	Mondale	Reichgott
Beckman	Finn	Krentz	Morse	Rivness
Belanger	Flynn	Kroening	Murphy	Robertson
Benson, D.D.	Frederickson	Langseth	Novak	Runbeck
Benson, J.E.	Hottinger	Larson	Oliver	Sams
Berglin	Janezich	Lesewski	Olson	Samuelson
Bertram	Johnson, D.E.	Lessard	Pappas	Solon
Betzold	Johnson, D.J.	Luther	Pariseau	Spear
Chandler	Johnson, J.B.	Marty	Piper	Stevens
Chmielewski	Johnston	Merriam	Pogemiller	Vickerman
Cohen	Kelly	Metzen	Price	Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 502 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 502: A bill for an act relating to health; asbestos abatement; modifying provisions relating to asbestos-related work, licenses, and fees;

providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 326.71, subdivisions 3, 4, 5, 6, 8, and by adding subdivisions; 326.72; 326.73; 326.74; 326.75; 326.76; 326.78; 326.785; 326.79; 326.80; and 326.81; repealing Minnesota Statutes 1992, sections 326.71, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Laidig	Murphy	Runbeck
Anderson	Finn	Langseth	Neuville	Sams
Beckman	Flynn	Larson	Novak	Samuelson
Belanger	Frederickson	Lesewski	Oliver	Solon
Benson, D.D.	Hanson	Lessard	Olson	Spear
Benson, J.E.	Hottinger	Luther	Pappas	Stevens
Berg	Johnson, D.E.	Marty	Pariseau	Stumpf
Berglin	Johnson, J.B.	McGowan	Piper	Terwilliger
Bertram	Johnston	Merriam	Price	Vickerman
Betzold	Kelly	Metzen	Ranum	Wiener
Chandler	Kiscaden	Moe, R.D.	Reichgott	
Chmielewski	Knutson	Mondale	Riveness	
Cohen	Krentz	Morse	Robertson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1418 be taken from the table. The motion prevailed.

S.F. No. 1418: A bill for an act relating to state government; public employment; establishing a pilot project in certain entities; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

Ms. Robertson moved to amend S.F. No. 1418 as follows:

Page 3, line 9, after the third comma, insert “1993, 1994, and”

Page 3, line 21, after “project” insert “by September 1, 1993, 1994, and 1995, and”

The motion prevailed. So the amendment was adopted.

S.F. No. 1418 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Reichgott
Anderson	Dille	Knutson	Mondale	Riveness
Beckman	Finn	Krentz	Morse	Robertson
Belanger	Flynn	Kroening	Murphy	Runbeck
Benson, D.D.	Frederickson	Langseth	Neuville	Sams
Benson, J.E.	Hanson	Larson	Novak	Samuelson
Berg	Hottinger	Lesewski	Oliver	Spear
Berglin	Janczich	Lessard	Pappas	Stevens
Bertram	Johnson, D.E.	Luther	Pariseau	Stumpf
Betzold	Johnson, D.J.	Marty	Piper	Terwilliger
Chandler	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chmielewski	Johnston	Merriam	Price	Wiener
Cohen	Kelly	Metzen	Ranum	

So the bill, as amended, was passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 386.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

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. 1275: A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to lenders and owners for redevelopment of property under an approved cleanup plan; providing authority to issue determinations regarding association with a release; amending Minnesota Statutes 1992, section 115B.175, subdivisions 4, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115B.

Senate File No. 1275 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

Mr. Mondale moved that the Senate do not concur in the amendments by the House to S.F. No. 1275, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

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. 674: A bill for an act relating to civil actions; regulating the posting of a bond required of plaintiffs in certain actions against a public body; amending Minnesota Statutes 1992, section 562.02.

Senate File No. 674 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

CONCURRENCE AND REPASSAGE

Mr. Cohen moved that the Senate concur in the amendments by the House to S.F. No. 674 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 674 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Ranum
Anderson	Finn	Knutson	Mondale	Reichgott
Beckman	Flynn	Krentz	Morse	Riveness
Belanger	Frederickson	Kroening	Murphy	Robertson
Benson, D.D.	Hanson	Langseth	Novak	Runbeck
Benson, J.E.	Hottinger	Larson	Oliver	Sams
Berg	Janezich	Lesewski	Olson	Samuelson
Berglin	Johnson, D.E.	Lessard	Pappas	Spear
Bertram	Johnson, D.J.	Luther	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Vickerman
Cohen	Kelly	Metzen	Price	Wiener

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 190: A bill for an act relating to background checks; providing that certain criminal conviction data are public; providing that a record of conviction of certain crimes and other determinations disqualify an individual from obtaining certain human services licenses; providing for access to certain data on day care and foster care licensees; amending Minnesota Statutes 1992, sections 13.46, subdivision 4; 13.87, subdivision 2; and 245A.04, subdivision 3b.

Senate File No. 190 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 6, 1993

CONCURRENCE AND REPASSAGE

Mr. Cohen moved that the Senate concur in the amendments by the House to S.F. No. 190 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 190 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Moe, R.D.	Riveness
Anderson	Day	Knutson	Morse	Robertson
Beckman	Finn	Krentz	Murphy	Runbeck
Belanger	Flynn	Kroening	Novak	Sams
Benson, D.D.	Frederickson	Langseth	Oliver	Samuelson
Benson, J.E.	Hanson	Larson	Olson	Solon
Berg	Hottinger	Lesewski	Pappas	Spear
Berglin	Janezich	Lessard	Pariseau	Stevens
Bertram	Johnson, D.E.	Luther	Piper	Vickerman
Betzold	Johnson, D.J.	Marty	Price	Wiener
Chandler	Johnson, J.B.	Merriam	Ranum	
Chmielewski	Johnston	Metzen	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 519.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 519: A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 184, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 891: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending

Minnesota Statutes 1992, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Reform, shown in the Journal for May 6, 1993, be adopted; that committee recommendation being:

“the bill do pass”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 553: A bill for an act relating to retirement; teachers retirement association; providing for the consolidation of the St. Paul teachers retirement fund association; making conforming amendments; amending Minnesota Statutes 1992, sections 3.85, subdivisions 11 and 12; 354.05, subdivisions 2 and 13; 354A.011, subdivisions 8 and 15a; 354A.021, subdivision 1; 354A.092; 354A.093; 354A.095; 354A.096; 354A.12, subdivisions 1, 2, 2a, and 2b; 354A.23, subdivision 1; 354A.30; 354A.32, subdivision 1; 354A.39; 354A.40, subdivision 1; 354A.41; 356.20, subdivision 2; 356.215, subdivision 2; 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.32, subdivision 2; 356.35, subdivisions 2 and 5; 356.36, subdivision 1; 356.86, subdivisions 1, 2, and 3; Laws 1965, chapter 705, section 1, subdivision 4; Laws 1989, chapter 319, article 13, section 94; Laws 1990, chapter 570, article 7, section 4; and Laws 1992, chapter 598, articles 5, section 2; and 6, section 18; repealing Minnesota Statutes 1992, sections 354A.23, subdivision 2; 355.201; 355.202; 355.203; 355.204; 355.205; 355.206; 355.207; 355.208; 355.209; Laws 1976, chapter 238, section 14; Laws 1977, chapter 429, sections 60 and 61; Laws 1979, chapter 109; Laws 1981, chapter 157; Laws 1985, chapter 259, section 3; Laws 1987, chapter 372, article 7, section 6; Laws 1988, chapter 709, article 8, section 8; Laws 1990, chapter 570, article 7, section 3; and Laws 1991, chapter 67.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Reform, shown in the Journal for May 6, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

H.F. No. 1585: A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws;

clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; regulating crimes in certain shopping areas; making knowing transfer of HIV virus a felony; increasing parental liability; limiting right to refuse blood testing; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144.765; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.01, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivisions 1, 2, and 3; 152.023, subdivisions 2 and 3; 152.024, subdivisions 1 and 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 540.18, subdivision 1; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivisions 1 and 2; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing

Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795, subdivision 2; 611A.57, subdivision 1; and 629.40, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Finance, shown in the Journal for May 5, 1993, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 671 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
671	529				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 671 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 671 and insert the language after the enacting clause of S.F. No. 529, the second engrossment; further, delete the title of H.F. No. 671 and insert the title of S.F. No. 529, the second engrossment.

And when so amended H.F. No. 671 will be identical to S.F. No. 529, and further recommends that H.F. No. 671 be given its second reading and substituted for S.F. No. 529, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Ms. Reichgott from the Committee on Judiciary, to which were referred the following appointments as reported in the Journal for January 19, 1993:

BOARD ON JUDICIAL STANDARDS

Harriette Burkhalter
Peter Hustad Watson

HARMFUL SUBSTANCE COMPENSATION BOARD

Beth A. Baker
Mara R. Thompson
Peter Westerhaus

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Ms. Reichgott from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for January 28, 1993:

BOARD ON JUDICIAL STANDARDS

Jon O. Haaven

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Ms. Reichgott from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for March 1, 1993:

BOARD ON JUDICIAL STANDARDS

Virginia Ward

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Ms. Reichgott from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for March 24, 1993:

HARMFUL SUBSTANCE COMPENSATION BOARD

M.J. "Mac" McCauley

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. No. 891 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1585 and 671 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1585 and that the rules of the Senate be so far suspended as to give H.F.

No. 1585, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1585: A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; regulating crimes in certain shopping areas; making knowing transfer of HIV virus a felony; increasing parental liability; limiting right to refuse blood testing; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144.765; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.01, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivisions 1, 2, and 3; 152.023, subdivisions 2 and 3; 152.024, subdivisions 1 and 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 540.18, subdivision 1; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivisions 1 and 2; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1;

609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795, subdivision 2; 611A.57, subdivision 1; and 629.40, subdivision 5.

Mr. Lessard moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 19, lines 4 and 5, delete the new language

Page 19, after line 14, insert:

“(d) ‘‘Trigger activator’’ means a removable manual or power driven trigger activating device constructed and designed so that, when attached to a firearm, the rate at which the trigger may be pulled increases and the rate of fire of the firearm increases to that of a machine gun.

(e) ‘‘Machine gun conversion kit’’ means any part designed and intended solely and exclusively, or combination of parts designed and intended, for use in converting a weapon into a machine gun, and any combination of parts from which a machine gun can be assembled.’’

Page 19, lines 19 and 20, delete the new language and insert *‘‘trigger activator or machine gun conversion kit,’’*

The motion prevailed. So the amendment was adopted.

Mr. Lessard then moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 20, lines 5, 7, 9, 14, and 15, delete *‘‘military’’* and insert *‘‘semiautomatic military-style’’*.

Page 20, line 18, delete *‘‘Military’’* and insert *‘‘Semiautomatic military-style’’*

Page 21, line 30, delete *‘‘military’’* and insert *‘‘semiautomatic military-style’’*

Page 21, after line 34, insert:

‘‘Sec. 25. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 8. [INCLUDED WEAPONS.] By August 1, 1993, and annually thereafter, the superintendent of the bureau of criminal apprehension shall

publish a current authoritative list of the firearms included within the definition of "semiautomatic military-style assault weapon" under this section. Dealers, purchasers, and other persons may rely on the list in complying with this chapter."

Page 22, line 1, delete "MILITARY" and insert "SEMIAUTOMATIC MILITARY-STYLE"

Page 22, lines 4, 7, and 17, delete "military" and insert "semiautomatic military-style"

Page 23, lines 28, 30, and 35, delete "military" and insert "semiautomatic military-style"

Page 24, lines 5, 23, and 33, delete "military" and insert "semiautomatic military-style"

Page 25, lines 2, 14, and 27, delete "military" and insert "semiautomatic military-style"

Page 26, lines 7, 12, 18, 22, 26, 31, and 35, delete "military" and insert "semiautomatic military-style"

Page 27, lines 21, 23, 27, 30, and 32, delete "military" and insert "semiautomatic military-style"

Page 28, lines 19 and 34, delete "military" and insert "semiautomatic military-style"

Page 28, lines 35 and 36, delete the new language

Page 29, lines 4, 12, 15, 18, 21, 24, 28, and 30, delete "military" and insert "semiautomatic military-style"

Page 30, lines 10, 11, and 14, delete the new language

Page 30, line 15, delete "military assault weapon"

Page 31, line 7, before the semicolon, insert ", or at funerals, parades, or other lawful ceremonies"

Page 31, line 35, delete "30" and insert "31" and delete "32" and insert "33"

Page 31, line 36, after the period, insert "Section 25 is effective the day following final enactment."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Anderson moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 4, delete section 3 and insert:

"Sec. 3. [471.635] [ZONING ORDINANCES.]

Notwithstanding section 471.633, a governmental subdivision may adopt reasonable, nondiscriminatory, and nonarbitrary zoning ordinances to regu-

late the location of businesses where firearms are sold by a firearms dealer. For the purposes of this section, a firearms dealer is a person who is federally licensed to sell firearms and a governmental subdivision is an entity described in sections 471.633 and 471.634."

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 31, after line 7, insert:

"(2) the carrying by a person of a rifle or shotgun that is unloaded and in a gun case expressly made to contain a firearm, if the case fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened, and no portion of the firearm is exposed;"

Page 31, line 8, delete "(2)" and insert "(3)"

Page 31, line 10, delete "(3)" and insert "(4)"

Page 31, line 12, delete "(4)" and insert "(5)"

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 126, line 35, after the period, insert "*The department of public safety shall provide the bureau with administrative support, including fiscal services, personnel administration, and information systems management.*"

The motion prevailed. So the amendment was adopted.

Ms. Ranum moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 102, line 26, after "person" insert "or by mail," and delete "telephone"

Page 103, line 5, after "person" insert "or by mail," and delete "telephone"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 45, line 27, before the period, insert "*, except that if the conviction is for a felony under section 609.2241, the stay shall be for not less than the life of the offender*"

Page 47, after line 3, insert:

"Sec. 13. [609.2241] [KNOWING TRANSMISSION OF HIV.]

Subdivision 1. [DEFINITIONS.] As used in this section:

- (a) "*Bodily fluid*" includes blood, semen, and vaginal secretion;
- (b) "*HIV*" means the human immunodeficiency virus; and
- (c) "*Transmit*" means to engage in sexual intercourse; to permit reuse of

a hypodermic needle, syringe, or similar device without sterilization; or to give blood or semen to a person, blood bank, or other medical facility for the purpose of transfusion or insemination.

Subd. 2. [CRIME.] Any person who transmits bodily fluid to another person, knowing or having reason to know that the bodily fluid is infected with HIV, is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both. In addition, the court shall sentence the offender to a life sentence, to be served in accordance with section 609.135, subdivision 2.

Subd. 3. [AFFIRMATIVE DEFENSES.] If proven by a preponderance of the evidence, it is an affirmative defense to a prosecution under subdivision 2 that:

(1) the transmission involved consensual sexual intercourse, after disclosure of the risk of HIV infection and the fact that the person has HIV; or

(2) the transmission occurred after advice from a physician that the actor was noninfectious."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. McGowan imposed a call of the Senate for the balance of the proceedings on H.F. No. 1585. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the McGowan amendment.

The roll was called, and there were yeas 32 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Day	Kroening	Murphy	Stevens
Belanger	Dille	Laidig	Néuville	Stumpf
Benson, D.D.	Frederickson	Langseth	Oliver	Terwilliger
Benson, J.E.	Hanson	Larson	Olson	Vickerman
Berg	Johnson, D.E.	Lesewski	Pariseau	
Bertram	Johnston	Lessard	Runbeck	
Chmielewski	Knutson	McGowan	Samuelson	

Those who voted in the negative were:

Anderson	Hottinger	Marty	Pappas	Sams
Berglin	Janezich	Merriam	Piper	Solon
Betzold	Johnson, D.J.	Metzen	Pogemiller	Spear
Chandler	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kelly	Mondale	Ranum	
Finn	Krentz	Morse	Reichgott	
Flynn	Luther	Novak	Riveness	

The motion did not prevail. So the amendment was not adopted.

Ms. Wiener moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 47, after line 3, insert:

“Sec. 13. Minnesota Statutes 1992, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under ~~subdivision 1 this section~~, sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713, or any similar law of another state, *is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than \$3,000, or both.* Whoever violates the provisions of subdivision 1 against a family or household member as defined in section 518B.01, subdivision 2, within five years of a previous conviction under ~~subdivision 1 this section~~ or sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713 against a family or household member; *is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under ~~subdivision 1 this section~~ or sections 609.221 to 609.2231 or 609.713 *is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 14. Minnesota Statutes 1992, section 609.224, is amended by adding a subdivision to read:

Subd. 4. [FELONY.] (a) *Whoever violates the provisions of subdivision 1 against the same victim within five years of the first of two or more previous convictions under this section or sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713 is guilty of a felony and may be sentenced to imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both.*

(b) *Whoever violates the provisions of subdivision 1 within three years of the first of two or more previous convictions under this section or sections 609.221 to 609.2231 or 609.713 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.”*

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title as follows:

Page 2, line 13, before “609.229,” insert “609.224, subdivision 2, and by adding a subdivision;”

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 17, line 16, delete “an” and insert “a public or private”

Page 17, line 17, after “grounds” insert “, including property leased or rented by a school for school purposes”

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 129, after line 1, insert:

“ARTICLE 13

CRUELTY TO ANIMALS

Section 1. Minnesota Statutes 1992, section 343.21, subdivision 9, is amended to read:

Subd. 9. [PENALTY.] A person who fails to comply with any provision of this section is guilty of a misdemeanor. *A person convicted of a second or subsequent violation of subdivision 1 or 7 within five years of a previous violation of subdivision 1 or 7 is guilty of a gross misdemeanor.*

Sec. 2. Minnesota Statutes 1992, section 343.21, subdivision 10, is amended to read:

Subd. 10. [RESTRICTIONS.] If a person is convicted of violating this section, the court ~~may~~ *shall* require that pet or companion animals, as defined in section 346.36, subdivision 6, that have not been seized by a peace officer or agent and are in the custody of the person must be turned over to a peace officer or other appropriate officer or agent *if unless* the court determines that the person is ~~unable or unfit~~ *able and fit* to provide adequately for an animal. If the evidence indicates lack of proper and reasonable care of an animal, the burden is on the person to affirmatively demonstrate by clear and convincing evidence that the person is able and fit to have custody of and provide adequately for an animal. The court may limit the person's further possession or custody of pet or companion animals, and may impose other conditions the court considers appropriate, including, but not limited to:

- (1) imposing a probation period during which the person may not have ownership, custody, or control of a pet or companion animal;
- (2) requiring periodic visits of the person by an animal control officer or agent appointed pursuant to section 343.01, subdivision 1;
- (3) requiring performance by the person of community service in a humane facility; and
- (4) requiring the person to receive behavioral counseling.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1993, and apply to crimes committed on or after that date, but previous convictions occurring before that date may serve as the basis for enhancing penalties under section 1.”

Page 129, line 2, delete “13” and insert “14”

Amend the title as follows:

Page 2, line 5, after “299D.06;” insert “343.21, subdivisions 9 and 10;”

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 106, after line 24, insert:

“Sec. 5. Minnesota Statutes 1992, section 299C.065, subdivision 1, is amended to read:

Subdivision 1. [GRANTS.] The commissioner of public safety shall make grants to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution; and

(5) witness assistance services in cases involving criminal gang activity in violation of section 609.229, or domestic assault, as defined in section 611A.0315; and

(6) *for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources.*”

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 44, after line 11, insert:

“Sec. 8. Minnesota Statutes 1992, section 307.08, subdivision 2, is amended to read:

Subd. 2. A person who intentionally, willfully, and knowingly destroys, mutilates, injures, *disturbs*, or removes human skeletal remains or human ~~burials~~ *burial grounds*, is guilty of a felony. A person who intentionally, willfully, or knowingly removes any tombstone, monument, or structure placed in any public or private cemetery or unmarked human burial ground, or any fence, railing, or other work erected for protection or ornament, or any tree, shrub, or plant or grave goods and artifacts within the limits of the cemetery or burial ground, and a person who, without authority from the trustees, state archaeologist, or Indian affairs intertribal board, discharges any firearms upon or over the grounds of any public or private cemetery or authenticated and identified Indian burial ground, is guilty of a gross misdemeanor.”

Page 48, line 29, delete “9” and insert “8, 10” and delete “13 to 16” and insert “14 to 17”

Page 48, line 31, delete “12” and insert “13”

Page 48, line 32, delete “8 and 10” and insert “9 and 11”

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Page 45, after line 4, insert:

“Sec. 10. [609.111] [USE OF FIREARM IN COMMITTING A CRIME OF VIOLENCE.]

Subdivision 1. [FELONY.] A person is guilty of a felony who commits a crime of violence as defined in section 624.712 and uses or possesses a firearm in committing that crime of violence and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [SENTENCE.] (a) Notwithstanding sections 609.035 and 609.04, a person may be punished separately for this offense and the crime of violence. Any sentence imposed under this section shall be served consecutively to the sentence imposed for the crime of violence, and shall precede the sentence for the violent crime.

(b) If the firearm was possessed during commission of the crime of violence, the court shall sentence a person convicted under this section to be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than one year. For a second or subsequent offense, the court shall sentence the person to be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than three years.

(c) If the firearm was used during the commission of the crime of violence, the court shall sentence a person convicted under this section to be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than three years. For a second or subsequent offense, the court shall sentence the person to be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than five years.

Subd. 3. [PLEA BARGAIN PROHIBITED.] No plea bargain may be accepted in a proceeding under this section unless the defendant discloses:

- (1) the source of the firearm;*
- (2) the disposition of the firearm; and*
- (3) the identity of any accomplices.”*

Page 46, after line 27, insert:

“Sec. 13. [609.1353] [VULNERABLE VICTIM; SPECIAL SENTENCING PROVISION.]

A court shall sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory

maximum, if the person committed a crime against the person and the victim of the crime was particularly vulnerable due to age, infirmity, or reduced physical or mental capacity, which was known or should have been known to the offender. For purposes of this provision, a crime against the person means any crime resulting in bodily harm to a person."

Renumber the sections of article 4 in sequence and correct the internal references

Page 60, line 8, strike the first comma and insert "or" and strike everything after "disability"

Page 60, line 9, strike "participate in an education or treatment program"

Page 60, line 18, delete the first comma and insert "or" and delete everything after "disability"

Page 60, line 19, delete "an education or treatment program"

Pages 119 to 129, delete article 12

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

Mr. Kelly requested division of the amendment as follows:

First portion:

Pages 119 to 129, delete article 12

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Day	Laidig	Neuville	Runbeck
Benson, D.D.	Dille	Larson	Novak	Stevens
Benson, J.E.	Frederickson	Lesewski	Oliver	Terwilliger
Berg	Johnson, D.E.	Lessard	Olson	
Bertram	Kiscaden	McGowan	Pariseau	
Chmielewski	Knutson	Merriam	Robertson	

Those who voted in the negative were:

Anderson	Hanson	Langseth	Piper	Solon
Beckman	Hottinger	Luther	Pogemiller	Spear
Berglin	Janezich	Metzen	Price	Stumpf
Betzold	Johnson, D.J.	Moe, R.D.	Ranum	Vickerman
Chandler	Johnston	Mondale	Reichgott	Wiener
Cohen	Kelly	Morse	Riveness	
Finn	Krentz	Murphy	Sams	
Flynn	Kroening	Pappas	Samuelson	

The motion did not prevail. So the first portion of the amendment was not adopted.

Mr. McGowan withdrew the remainder of his amendment.

Mr. Finn moved to amend the Finn amendment to H.F. No. 1585, adopted by the Senate May 7, 1993, as follows:

Page 1, line 5, delete "including" and insert "whether leased or owned by the school"

Page 1, delete line 6

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 1585, the unofficial engrossment, as follows:

Pages 39 and 40, delete article 3 and insert:

"ARTICLE 3

PROSTITUTION AND FORFEITURE

Section 1. Minnesota Statutes 1992, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5317, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891; or a violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 2. Minnesota Statutes 1992, section 609.531, subdivision 5a, is amended to read:

Subd. 5a. [BOND BY OWNER FOR POSSESSION.] (a) If the owner of property that has been seized under sections 609.531 to 609.5317 seeks possession of the property before the forfeiture action is determined, the owner may, subject to the approval of the appropriate agency, give security or post bond payable to the appropriate agency in an amount equal to the retail value of the seized property. On posting the security or bond, the seized property must be returned to the owner and the forfeiture action shall proceed against the security as if it were the seized property. This subdivision does not apply to contraband property.

(b) *If the owner of a vehicle that has been seized under this section seeks possession of the vehicle before the forfeiture action is determined, the owner may surrender the vehicle's certificate of title in exchange for the vehicle. The motor vehicle must be returned to the owner within 24 hours if the owner surrenders the motor vehicle's certificate of title to the appropriate agency, pending resolution of the forfeiture action. If the certificate is surrendered, the owner may not be ordered to post security or bond as a condition of release of the vehicle. When a certificate of title is surrendered under this provision, the agency shall notify the department of public safety and any secured party noted on the certificate. The agency shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.*

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1993, and apply to crimes committed on or after that date."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1585 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Morse	Reichgott
Beckman	Hottinger	Lessard	Murphy	Riveness
Bertram	Janezich	Luther	Novak	Sams
Betzold	Johnson, D.J.	Marty	Pappas	Solon
Chandler	Johnson, J.B.	Merriam	Piper	Spear
Chmielewski	Kelly	Metzen	Pogemiller	Stumpf
Cohen	Krentz	Moe, R.D.	Price	Vickerman
Flynn	Kroening	Mondale	Ranum	Wiener

Those who voted in the negative were:

Belanger	Dille	Kiscaden	McGowan	Robertson
Benson, D.D.	Finn	Knutson	Neuville	Runbeck
Benson, J.E.	Frederickson	Laidig	Oliver	Samuelson
Berg	Johnson, D.E.	Larson	Olson	Stevens
Day	Johnston	Lesewski	Pariseau	Terwilliger

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1735, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1735 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1735

A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15; subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37,

subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

May 6, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 1735, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1735 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

LOCAL AIDS

Section 1. Minnesota Statutes 1992, section 16A.712, is amended to read:

16A.712 [LOCAL GOVERNMENT TRUST; APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year 1993 and subsequent years are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

- (1) attached machinery aid to counties under section 273.138;
- (2) in fiscal year 1993 only, supplemental homestead credit under section 273.1391;
- (3) \$560,000 in fiscal year 1993 and \$300,000 annually in fiscal years 1994 and 1995 for tax administration;
- (4) \$105,000 annually to the commissioner of finance in fiscal years 1993, 1994, and 1995 to administer the trust fund;
- (5) \$25,000 annually to the advisory commission on intergovernmental relations in fiscal years 1993, 1994, and 1995 to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate;
- (6) \$350,000 in fiscal year 1993 and \$1,200,000 annually in fiscal years 1994 and year 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participation and ongoing oversight of the legislative commission on planning and fiscal policy; and
- (7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education.

(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1993 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law.

Sec. 2. Minnesota Statutes 1992, section 256E.06, subdivision 12, is amended to read:

Subd. 12. [APPROPRIATION.] \$51,566,000 is appropriated from the local government trust fund in fiscal year 1993 and \$53,113,000 annually, \$50,762,000 in fiscal years year 1994, and \$49,499,000 in fiscal year 1995, and thereafter to the commissioner of human services for payment of aid under this section. Notwithstanding subdivisions 1 and 2, the increased appropriation available in fiscal year 1994 and thereafter shall be used to increase each county's aid proportionately over the aid received in calendar year 1992. For calendar year 1993 only, each county's aid will be adjusted appropriately to reflect the increase that is dictated to occur in the second half of the calendar year.

Sec. 3. Minnesota Statutes 1992, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; the class rate applied to noncommercial seasonal recreational residential property shall be 2.25 percent; and the class rates applied to portions of class 1a, 1b, and 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000; for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4e shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. Any reclassification of property by Laws 1991, chapter 291, shall not be considered in determining net tax capacity for aids payable in 1992. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) (d) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as

defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) (e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) (f) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) capital expenditure facilities revenue under section 124.243, subdivision 3;
- (4) capital expenditure equipment revenue under section 124.244, subdivision 2; and
- (5) basic transportation under section 124.226, subdivision 1.

(g) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) (h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. **Gross taxes**

levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a equalized school levies.

(k) (i) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost of living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) (j) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) (k) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) (l) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(s) (m) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) (n) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a.

Sec. 4. Minnesota Statutes 1992, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.] (a) For aid payable in 1991, Homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990 and subsequent years, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.

(b)(1) The 1990 and 1991 homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction. The net tax capacity adjustment is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's taxes levied bears to the total taxes levied in the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23,

subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5c, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and 1991 shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), 4, paragraph (d), and 5.

(e) Payments under this subdivision to towns in 1990 and 1991 shall be reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

(f) Payments under this subdivision to cities in 1990 and 1991 shall be reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivisions 6 and 7.

(g) Payments under this subdivision to special taxing districts, excluding hospital districts and the regional transit board defined in section 473.373, in 1990 and 1991 shall be reduced by an amount equal to 2.35 percent of the amount levied for taxes payable in 1990, before reduction for homestead and agricultural credit aid and disparity reduction aid. Payments under this subdivision to the regional transit board in 1990 and 1991 shall be reduced by \$450,000.

(h) Payments under this subdivision to all taxing jurisdictions in 1992 and subsequent years are equal to the product of (1) the homestead and agricultural credit aid base, and (2) the growth adjustment factor, plus the net tax capacity adjustment and the fiscal disparity adjustment.

Sec. 5. Minnesota Statutes 1992, section 273.1398, is amended by adding a subdivision to read:

Subd. 3a. [DISPARITY REDUCTION AID TO CITIES.] Notwithstanding the provisions of subdivision 3 or section 275.08, subdivision 1d, the amount of disparity reduction aid for a city for aid payable in calendar year 1994 and thereafter is zero, and the local tax rate for taxes payable in 1994 and thereafter for a city shall not be adjusted under section 275.08, subdivision 1d. For purposes of this subdivision, city means a statutory or home rule charter city.

Sec. 6. Minnesota Statutes 1992, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 1 each year. If the town board modifies the levy at a special town meeting after September 1, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be adjusted reduced by the aid received under sections 273.1398, subdivisions 2 and 3, and 477A.013, subdivision 5. If a city, town,

county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

Sec. 7. Minnesota Statutes 1992, section 275.07, is amended by adding a subdivision to read:

Subd. 1a. [APPLICATION OF LIMITATIONS.] Any limitation upon the amount that may be levied by a local taxing jurisdiction shall apply to the sum of the levy as certified under subdivision 1 plus the certified homestead and agricultural credit aid amount under section 273.1398, subdivision 2, unless the commissioner of revenue certifies to the county auditor that the limitation applies to the levy under subdivision 1 only.

Sec. 8. Minnesota Statutes 1992, section 477A.011, subdivision 1a, is amended to read:

Subd. 1a. [CITY.] "City" means a statutory or home rule charter city. City also means a town having a population of 5,000 or more for purposes of the aid payable under section 477A.013, subdivision 3. Towns are not eligible to be treated as cities for purposes of aid payable under section 477A.013, subdivision 5, or the aid adjustment under section 477A.013, subdivision 7.

Sec. 9. Minnesota Statutes 1992, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY NET TAX CAPACITY.] "City net tax capacity" means (1) 23 percent of the net tax capacity computed using the net tax capacity rates listed in Minnesota Statutes 1988, section 273.13, and the market values for aids payable in 1990 and the net tax capacity rates listed in Minnesota Statutes 1989 Supplement, section 273.13, for aids payable in 1991 and subsequent years for all taxable property within the city based on the assessment two years prior to that for which aids are being calculated, taxes payable in the year prior to the aid distribution plus (2) a city's levy on the fiscal disparities distribution tax capacity under section 473F.08, subdivision 3 2, paragraph (a) (b), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing city net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The city net tax capacity will be computed using equalized market values.

Sec. 10. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 30. [PRE-1940 HOUSING PERCENTAGE.] "Pre-1940 housing percentage" for a city is 100 times the most recent federal census count of all housing units in the city built before 1940, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Sec. 11. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 31. [POPULATION DECLINE PERCENTAGE.] "Population decline percentage" for a city is the percent decline in a city's population for the last ten years, based on the most recently available population estimate from the state demographer or a federal census. A city's population decline percentage cannot be less than zero.

Sec. 12. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 32. [COMMERCIAL INDUSTRIAL PERCENTAGE.] "Commercial industrial percentage" for a city is 100 times the sum of the estimated market values of all real property in the city classified as class 3 under section 273.13, subdivision 24, excluding public utility property, to the total market value of all taxable real and personal property in the city. The market values are the amounts computed before any adjustments for fiscal disparities under section 473F.08. The market values used for this subdivision are not equalized.

Sec. 13. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 33. [TRANSFORMED POPULATION.] "Transformed population" for a city is the city population raised to the .3308 power, times 30.5485.

Sec. 14. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 34. [CITY REVENUE NEED.] (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) 3.462312 times the pre-1940 housing percentage; plus (2) 2.093826 times the commercial industrial percentage; plus (3) 6.862552 times the population decline percentage; plus (4) .00026 times the city population; plus (5) 152.0141.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 1.795919 times the pre-1940 housing percentage; plus (2) 1.562138 times the commercial industrial percentage; plus (3) 4.177568 times the population decline percentage; plus (4) 1.04013 times the transformed population; minus (5) 107.475.

(c) The city revenue need cannot be less than zero.

(d) For calendar year 1995 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (c), is multiplied by the ratio of the annual implicit price deflator for state and local government purchases, as prepared by the United States Department of Commerce, for the most recently available year to the 1993 implicit price deflator for state and local government purchases.

Sec. 15. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 35. [TAX EFFORT RATE.] "Tax effort rate" means the sum of the net levy for all cities divided by the sum of the city net tax capacity for all cities. For purposes of this section, "net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year prior to the aid distribution. The fiscal disparity distribution levy is included in net levy.

Sec. 16. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 36. [CITY AID BASE.] "City aid base" means, for each city, the sum of the local government aid and equalization aid it was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, and the amount of disparity reduction aid it received in calendar year 1993 under Minnesota Statutes 1992, section 273.1398, subdivision 3.

Sec. 17. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 37. [BASE REDUCTION PERCENTAGE.] "Base reduction percentage" is (1) the difference between the amount available for city aid under section 477A.03 for the year for which aid is being calculated and the amount available for city aid under section 477A.03 for calendar year 1994, (2) divided by the sum of the city aid base for all cities and (3) multiplied by 100. The reduction percentage for any year may not be less than the reduction percentage from the previous year. For aid paid in calendar year 1994, the reduction percentage is zero. The reduction percentage may not be more than 100 percent.

Sec. 18. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 8. [CITY AID INCREASE.] (a) In calendar year 1994 and subsequent years, the aid increase for a city is equal to the need increase percentage multiplied by the difference between (1) the city's revenue need multiplied by its population, and (2) the city's net tax capacity multiplied by the tax effort rate. The need increase percentage must be the same for all cities and must be calculated by the department of revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03, subdivision 1.

(b) The percentage aid increase for a first class city in calendar year 1994 must not exceed the percentage increase in the sum of calendar year 1994 city aids under this section compared to the sum of the city aid base for all cities. The aid increase for any other city in 1994 must not exceed five percent of the city's net levy for taxes payable in 1993.

(c) The aid increase in calendar year 1995 and subsequent years for any city must not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its city aid base multiplied by the base reduction percentage.

Sec. 19. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 9. [CITY AID DISTRIBUTION.] In calendar year 1994 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city aid increase under subdivision 8, and (2) its city aid base multiplied by a percentage equal to 100 minus the base reduction percentage.

Sec. 20. Minnesota Statutes 1992, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually

appropriated from the local government trust fund to the commissioner of revenue. For aids payable in 1993 ~~and thereafter~~, the total amount of equalization aid paid under section 477A.013, subdivision 5, is limited to \$20,011,000. *For aid payable in 1994 and thereafter, the total aid paid to cities under section 477A.013, subdivision 9, is limited to \$330,636,900.*

In 1993 and subsequent years, \$8,400,000 per year is appropriated from the local government trust fund to make payments under section 477A.0121.

Sec. 21. [REPEALER.]

Minnesota Statutes 1992, sections 273.1398, subdivision 5; and 275.07, subdivision 3, are repealed.

Minnesota Statutes 1992, sections 477A.011, subdivisions 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1993. Sections 3 to 21 are effective for property taxes and aids payable in 1994, and thereafter.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 1992, section 82.19, is amended by adding a subdivision to read:

Subd. 8. [DISCLOSURE OF VALUATION EXCLUSION.] No real estate broker or salesperson shall sell or offer for sale property that, for purposes of property taxation, has an exclusion from market value for home improvements under section 273.11, subdivision 16, without disclosing to the buyer the existence of the excluded valuation and informing the buyer that the exclusion will end upon the sale of the property and that the property's estimated market value for property tax purposes will increase accordingly.

Sec. 2. Minnesota Statutes 1992, section 272.01, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivision 2 shall not apply to:

(a) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(b) Real estate exempt from ad valorem taxes and taxes in lieu thereof which is leased, loaned, or otherwise made available to telephone companies or electric, light and power companies upon which personal property consisting of transmission and distribution lines is situated and assessed pursuant to sections 273.37, 273.38, 273.40 and 273.41, or upon which are situated the communication lines of express, railway, telephone or telegraph companies, ~~and~~ or pipelines used for the transmission and distribution of petroleum products, or the equipment items of a cable communications company subject to sections 238.35 to 238.42;

(c) Property presently owned by any educational institution chartered by the territorial legislature;

(d) Indian lands;

(e) Property of any corporation organized as a tribal corporation under the Indian Reorganization Act of June 18, 1934, (Statutes at Large, volume 48, page 984);

(f) Real property owned by the state and leased pursuant to section 161.23 or 161.431, and acts amendatory thereto;

(g) Real property owned by a seaway port authority on June 1, 1967, upon which there has been constructed docks, warehouses, tank farms, administrative and maintenance buildings, railroad and ship terminal facilities and other maritime and transportation facilities or those directly related thereto, together with facilities for the handling of passengers and baggage and for the handling of freight and bulk liquids, and personal property owned by a seaway port authority used or usable in connection therewith, when said property is leased to a private individual, association or corporation, but only when such lease provides that the said facilities are available to the public for the loading and unloading of passengers and their baggage and the handling, storage, care, shipment, and delivery of merchandise, freight and baggage and other maritime and transportation activities and functions directly related thereto, but not including property used for grain elevator facilities; it being the declared policy of this state that such property when so leased is public property used exclusively for a public purpose, notwithstanding the one-year limitation in the provisions of section 273.19;

(h) Notwithstanding the provisions of clause (g), when the annual rental received by a seaway port authority in any calendar year for such leased property exceeds an amount reasonably required for administrative expense of the authority per year, plus promotional expense for the authority not to exceed the sum of \$100,000 per year, to be expended when and in the manner decided upon by the commissioners, plus an amount sufficient to pay all installments of principal and interest due, or to become due, during such calendar year and the next succeeding year on any revenue bonds issued by the authority, plus 25 percent of the gross annual rental to be retained by the authority for improvement, development, or other contingencies, the authority shall make a payment in lieu of real and personal property taxes of a reasonable portion of the remaining annual rental to the county treasurer of the county in which such seaway port authority is principally located. Any such payments to the county treasurer shall be disbursed by the treasurer on the same basis as real estate taxes are divided among the various governmental units, but if such port authority shall have received funds from the state of Minnesota and funds from any city and county pursuant to Laws 1957, chapters 648, 831, and 849 and acts amendatory thereof, then such disbursement by the county treasurer shall be on the same basis as real estate taxes are divided among the various governmental units, except that the portion of such payments which would otherwise go to other taxing units shall be divided equally among the state of Minnesota and said county and city.

Sec. 3. Minnesota Statutes 1992, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;

- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d), *other than those that qualify for exemption under clause (25)*;
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
 - (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
 - (c) personal property defined in section 272.03, subdivision 2, clause (3);
 - (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;
 - (e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 274.19, subdivision 8, paragraph (f); and
 - (f) flight property as defined in section 270.071.
- (9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards,

rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 18; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986; notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated

or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it; and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

(23) Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power.

(24) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(25) *A structure that is situated on real property that is used for:*

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and which meets each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

(B) is owned by an entity which has not entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this clause.

An exemption under this clause remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

(26) Real and personal property that is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

Sec. 4. Minnesota Statutes 1992, section 272.02, subdivision 4, is amended to read:

Subd. 4. [CONVERSION TO EXEMPT OR TAXABLE USES.] (a) Any property exempt from taxation on January 2 of any year which, due to sale or other reason, loses its exemption prior to July 1 of any year, shall be placed on the current assessment rolls for that year.

The valuation shall be determined with respect to its value on January 2 of such year. The classification shall be based upon the use to which the property was put by the purchaser, or in the event the purchaser has not utilized the property by July 1, the intended use of the property, determined by the county assessor, based upon all relevant facts.

(b) Property subject to tax on January 2 that is acquired by a governmental entity, *institution of purely public charity*, church, or educational institution before July 1 of the year is exempt for that assessment year if ~~(1) the property is to be used for an exempt purpose under subdivision 1, clauses (1) to (7); and (2) the property is not subject to the filing requirement under section 272.025.~~

Sec. 5. Minnesota Statutes 1992, section 272.115, subdivision 1, is amended to read:

Subdivision 1. ~~Except as provided in subdivision 1a,~~ Whenever any real estate is sold for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located ~~within 30 days of the sale when the deed or other document is presented for recording.~~ *Contract for deeds are subject to recording under section 507.235, subdivision 1.* Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any

lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.

Sec. 6. Minnesota Statutes 1992, section 272.115, subdivision 4, is amended to read:

Subd. 4. No real estate sold or transferred on or after January 1, 1993, under subdivision 4a / shall be classified as a homestead, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale or transfer of the property.

Sec. 7. Minnesota Statutes 1992, section 273.061, subdivision 8, is amended to read:

Subd. 8. [POWERS AND DUTIES.] The county assessor shall have the following powers and duties:

(1) To call upon and confer with the township and city assessors in the county, and advise and give them the necessary instructions and directions as to their duties under the laws of this state, to the end that a uniform assessment of all real property in the county will be attained.

(2) To assist and instruct the local assessors in the preparation and proper use of land maps and record cards, in the property classification of real and personal property, and in the determination of proper standards of value.

(3) To keep the local assessors in the county advised of all changes in assessment laws and all instructions which the assessor receives from the commissioner of revenue relating to their duties.

(4) To have authority to require the attendance of groups of local assessors at sectional meetings called by the assessor for the purpose of giving them further assistance and instruction as to their duties.

(5) To immediately commence the preparation of a large scale topographical land map of the county, in such form as may be prescribed by the commissioner of revenue, showing thereon the location of all railroads, highways and roads, bridges, rivers and lakes, swamp areas, wooded tracts, stony ridges and other features which might affect the value of the land. Appropriate symbols shall be used to indicate the best, the fair, and the poor land of the county. For use in connection with the topographical land map, the assessor shall prepare and keep available in the assessor's office tables showing fair average minimum and maximum market values per acre of cultivated, meadow, pasture, cutover, timber and waste lands of each township. The assessor shall keep the map and tables available in the office for the guidance of town assessors, boards of review, and the county board of equalization.

(6) To also prepare and keep available in the office for the guidance of town assessors, boards of review and the county board of equalization, a land valuation map of the county, in such form as may be prescribed by the commissioner of revenue. This map, which shall include the bordering tier of

townships of each county adjoining, shall show the average market value per acre, both with and without improvements, as finally equalized in the last assessment of real estate, of all land in each town or unorganized township which lies outside the corporate limits of cities.

(7) To regularly examine all conveyances of land outside the corporate limits of cities of the first and second class, filed with the county recorder of the county, and keep a file, by descriptions, of the considerations shown thereon. From the information obtained by comparing the considerations shown with the market values assessed, the assessor shall make recommendations to the county board of equalization of necessary changes in individual assessments or aggregate valuations.

(8) To prepare annually and keep available in the assessor's office for the guidance of boards of review and the county board of equalization, a table showing the market value per capita of all personal property in each assessment district in the county as finally equalized in the last previous assessment of personal property. For the guidance of the county board of equalization, the assessor shall also add to the table the market value per capita of all personal property of each assessment district for the current year as equalized by the local board of review.

(9) To become familiar with the values of the different items of personal property so as to be in a position when called upon to advise the boards of review and the county board of equalization concerning property, market values thereof.

(10) While the county board of equalization is in session, to give it every possible assistance to enable it to perform its duties. The assessor shall furnish the board with all necessary charts, tables, comparisons, and data which it requires in its deliberations, and shall make whatever investigations the board may desire.

(11) At the request of either the board of county commissioners or the commissioner of revenue, to investigate applications for reductions of valuation and abatements and settlements of taxes, examine the real or personal property involved, and submit written reports and recommendations with respect to the applications, in such form as may be prescribed by the board of county commissioners and commissioner of revenue.

(12) To make diligent search each year for real and personal property which has been omitted from assessment in the county, and report all such omissions to the county auditor.

(13) To regularly confer with county assessors in all adjacent counties about the assessment of property in order to uniformly assess and equalize the value of similar properties and classes of property located in adjacent counties. The conference shall emphasize the assessment of agricultural and commercial and industrial property or other properties that may have an inadequate number of sales in a single county.

(14) To render such other services pertaining to the assessment of real and personal property in the county as are not inconsistent with the duties set forth in this section, and as may be required by the board of county commissioners or by the commissioner of revenue.

(15) *To maintain a record, in conjunction with other county offices, of all transfers of property to assist in determining the proper classification of*

property, including but not limited to, transferring homestead property and name changes on homestead property.

(16) To determine if a homestead application is required due to the transfer of homestead property or an owner's name change on homestead property.

Sec. 8. Minnesota Statutes 1992, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in ~~subdivisions 6, 8, 9, 11, and 14~~ *this section* or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, platted property shall be assessed as provided in subdivision 14. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 9. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 1a. [LIMITED MARKET VALUE.] In the case of all property classified as agricultural homestead or non-homestead, residential homestead or non-homestead, or non-commercial seasonal recreational residential, the assessor shall compare the value with that determined in the preceding assessment. The amount of the increase entered in the current assessment shall not exceed the greater of (1) ten percent of the value in the preceding assessment, or (2) one-third of the difference between the current assessment and the preceding assessment. This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under section 273.11, subdivision 16.

The provisions of this subdivision shall be in effect only for assessment years 1993 through 1998.

For purposes of the assessment/sales ratio study conducted under section 124.2131, and the computation of state aids paid under chapters 124, 124A, and 477A, market values and net tax capacities determined under this subdivision and section 273.11, subdivision 16, shall be used.

Sec. 10. Minnesota Statutes 1992, section 273.11, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other provision of law to the contrary, the limitation contained in ~~subdivision~~ subdivisions 1 and 1a shall also apply to the authority of the local board of review as provided in section 274.01, the county board of equalization as provided in section 274.13, the state board of equalization and the commissioner of revenue as provided in sections 270.11, 270.12 and 270.16.

Sec. 11. Minnesota Statutes 1992, section 273.11, subdivision 6a, is amended to read:

Subd. 6a. ~~[RESIDENTIAL FIRE SAFETY SPRINKLER SYSTEMS.]~~ For purposes of property taxation, the market value of automatic fire-safety sprinkler systems installed in existing buildings after January 1, 1992, meeting the standards of the Minnesota fire code shall be excluded from the market value of (1) existing multifamily residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence and (2) existing real estate containing four or more contiguous residential units for use by customers of the owner, such as hotels, motels, and lodging houses and (3) existing office buildings or mixed use commercial-residential buildings, in which at least one story capable of occupancy is at least 75 feet above the ground. The market value exclusion under this section shall expire if the property is sold.

Sec. 12. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 15. ~~[VACANT HOSPITALS.]~~ In valuing a hospital, as defined in section 144.50, subdivision 2, that is located outside of a metropolitan county, as defined in section 473.121, subdivision 4, and that on the date of sale is vacant and not used for hospital purposes or for any other purpose, the assessor's estimated market value for taxes levied in the year of the sale shall be no greater than the sales price of the property, including both the land and the buildings, as adjusted for terms of financing. If the sale is made later than December 15, the market value as determined under this subdivision shall be used for taxes levied in the following year. This subdivision applies only if the sales price of the property was determined under an arms length transaction.

Sec. 13. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 16. ~~[VALUATION EXCLUSION FOR CERTAIN IMPROVEMENTS.]~~ Improvements to homestead property made before January 2, 2003, shall be fully or partially excluded from the value of the property for assessment purposes provided that the house is at least 35 years old at the time of the improvement. In the case of an owner-occupied duplex or triplex, the improvement is eligible regardless of which portion of the property was improved.

If the property lies in a jurisdiction which is subject to a building permit process, a building permit must have been issued covering the improvement. If the property lies in a jurisdiction which is not subject to a building permit process, the improvement must add at least \$1,000 to the value of the property. Only improvements to the structure which is the residence of the

qualifying homesteader or the garage qualify for the provisions of this subdivision.

Whenever a building permit is issued for property currently classified as homestead, the issuing jurisdiction shall notify the assessor of the possibility of valuation exclusion under this subdivision. The assessor may require an application process and documentation of the age of the house from the owner, if unknown.

The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made, at which time an amount equal to 20 percent of the qualifying value shall be added back in each of the five subsequent assessment years. The valuation exclusion shall terminate whenever (1) the property is sold, or (2) the property is reclassified to a class which does not qualify for treatment under this subdivision.

The total qualifying value for a homestead may not exceed \$50,000. The total qualifying value for a homestead with a house that is less than 70 years old may not exceed \$25,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if the improvement occurs when the house is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The \$25,000 and \$50,000 maximum qualifying value under this section may result from up to three separate improvements to the homestead.

Sec. 14. Minnesota Statutes 1992, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing, or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex or marital status; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may

be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

A golf club that has food or beverage facilities or services must allow equal access to those facilities and services for both men and women members in all membership categories at all times. Nothing in this paragraph shall be construed to require service or access to facilities to persons under the age of 21 years or require any act that would violate law or ordinance regarding sale, consumption, or regulation of alcoholic beverages.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 15. Minnesota Statutes 1992, section 273.112, is amended by adding a subdivision to read:

Subd. 4a. Real estate devoted to golf and operated by a private club that does not meet the requirements of subdivision 3, and is not eligible for valuation and deferment under this section, must be valued for ad valorem tax purposes by the assessor as if it were converted to commercial, industrial, residential, or seasonal residential use and were platted and available for sale as individual parcels.

Sec. 16. Minnesota Statutes 1992, section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is known to the assessor, otherwise the occupant of the property. The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain: (1) the amount of the valuation in terms of market value, (2) the limited market value under section 273.11, subdivision 1a, (3) the qualifying amount of any improvements under section 273.11, subdivision 16, (4) the market value subject to taxation after subtracting the amount of any qualifying improvements, (5) the new classification, (6) the assessor's office address, and (7) the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any assessor who is not provided sufficient funds from the assessor's governing body to provide such notices,

may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and, if satisfied that the assessor does not have the necessary funds, issue a certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 17. Minnesota Statutes 1992, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, spouse, grandparent, grandchild, brother, sister, uncle, or aunt. This relationship may be by blood or marriage. Property that was classified as seasonal recreational residential property at the time when treatment under this paragraph would first apply shall continue to be classified as seasonal recreational residential property for the first two *four* assessment

years beginning after the date when the relative of the owner occupies the property as a homestead; this delay also applies to property that, in the absence of this paragraph, would have been classified as seasonal recreational residential property at the time when the residence was constructed. Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative. In the case of a residence located on agricultural land, only the house, garage, and immediately surrounding one acre of land shall be classified as a homestead under this paragraph, *except as provided in paragraph (d).*

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a son or daughter of the owner of the agricultural property,

(2) the owner of the agricultural property must be a Minnesota resident,

(3) the owner of the agricultural property is not eligible to receive homestead treatment on any other agricultural property in Minnesota, and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met.

Sec. 18. Minnesota Statutes 1992, section 273.124, is amended by adding a subdivision to read:

Subd. 6a. [PRELIMINARY APPROVAL OF LEASEHOLD COOPERATIVES.] *Preliminary approval for classification as a leasehold cooperative may be granted to property when a developer proposes to construct one or more residential dwellings or buildings using funds provided by the Minnesota housing finance agency if all of the following conditions are met:*

(a) The developer must present an affidavit to the county attorney and to the governing body of the municipality that includes a statement of the developer's intention to comply with all requirements in subdivision 6 and a detailed description of the plan for doing so.

(b) The commissioner of the Minnesota housing finance agency must provide the county attorney and governing body with a description of the financing and related terms the commissioner proposes to provide with respect to the project, together with an objective assessment of the likelihood that the project will comply with the requirements of subdivision 6.

(c) The county attorney must review the materials provided under paragraphs (a) and (b), and may require the developer or the Minnesota housing finance agency to provide additional information. If the county attorney determines that it is reasonably likely that the project will meet the

requirements of this subdivision, the county attorney shall provide preliminary approval to treatment of the property as a leasehold cooperative.

(d) The governing body shall conduct a public hearing as provided in subdivision 6, paragraph (j), and make its preliminary findings based on the information provided by the developer and the Minnesota housing finance agency.

Upon completion of the project and creation of the leasehold cooperative, actual compliance with the requirements of this subdivision must be demonstrated, and certified by the county attorney. A second hearing by the governing body is not required.

If the county attorney finds that the homestead treatment granted pursuant to a preliminary approval under this subdivision must be revoked because the completed project failed to meet the requirements of this subdivision, the benefits of the treatment shall be recaptured. The county assessor shall determine the amount by which the tax imposed on the property was reduced because it was treated as a leasehold cooperative. The developer shall be charged an amount equal to the tax reduction received or, if the county attorney determines that the failure to meet the requirements was due to the developer's intentional disregard of the requirements, 150 percent of the tax reduction received. The penalty must be paid to the county treasurer within 90 days after receipt of a statement from the treasurer. The proceeds of the penalty shall be distributed to the local taxing jurisdictions in proportion to the amounts of their levies on the property.

Sec. 19. Minnesota Statutes 1992, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by ~~June~~ December 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor under section 273.063, in writing, ~~prior to June~~ by December 15 of the year of occupancy in order to qualify under this subdivision. The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead by ~~June~~ December 1 of a year.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

If homestead classification has not been requested as of December 15, the assessor will classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, may be entitled to receive homestead classification by proper application as provided in section 375.192.

The county assessor ~~shall~~ may publish in a newspaper of general circulation within the county ~~no later than June 1 of each year~~ a notice informing requesting the public of the requirement to file an application for homestead

prior to June 15 as soon as practicable after acquisition of a homestead, but no later than December 15.

The county assessor shall publish in a newspaper of general circulation within the county no later than December 1 of each year a notice informing the public of the requirement to file an application for homestead by December 15.

Sec. 20. Minnesota Statutes 1992, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) On or before January 2, 1993, each county assessor shall mail a homestead application to the owner of each parcel of property within the county which was classified as homestead for the 1992 assessment year. The format and contents of a uniform homestead application shall be prescribed by the commissioner of revenue. The commissioner shall consult with the chairs of the house and senate tax committees on the contents of the homestead application form. The application must clearly inform the taxpayer that this application must be signed by all owners of the property and returned to the county assessor in order for the property to continue receiving homestead treatment. The envelope containing the homestead application shall clearly identify its contents and alert the taxpayer of its necessary immediate response.

~~Every four years after the initial homestead application has been filed under this subdivision, a county shall mail a homestead application to the owner of each parcel of property to verify the continued eligibility for homestead status for all properties classified as homestead within the county in the prior year's assessment. The homestead application and procedures shall be done in the same manner as contained in this subdivision for the 1993 homestead application.~~

(c) On the homestead application each owner shall disclose the location of any other residential property in the state in which the owner holds full or partial ownership and for which homestead status has been granted or has been applied for at the time of the application. Each owner must also disclose the name and social security number of any relative occupying a property qualifying as a homestead under subdivision 1, paragraph (c). Failure to disclose the information required under this paragraph may result in the imposition of the penalty provided under this subdivision.

(d) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each person who is listed as an owner of the property listed on the homestead application. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

(e) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead

status, a homestead application must be filed with the assessor. The social security number of each relative occupying the property and the social security number of each owner of the property shall be required on the homestead application filed under this subdivision. If a different relative of the owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy.

(f) The homestead application shall also notify the property owners that the application filed under this section will not be mailed annually and that *if the initial application is granted or if the property is granted homestead status for the 1993 assessment, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners or the relatives no longer use the property as their homestead.* Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the county within 30 days that the property has been sold, transferred, or that the owner or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

(g) If the ~~initial~~ homestead application is not returned within 30 days, the county will send a second application to the present owners of record. The notice of proposed property taxes prepared under section 275.065, subdivision 3, shall reflect the property's classification. If a homestead application has not been filed with the county by December 15, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

(h) At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner applying for homestead classification under this subdivision.

(i) If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the taconite homestead credit under section 273.135, and the supplemental homestead credit under section 273.1391.

The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county. If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the succeeding year's tax list to be collected as part of the property taxes.

(j) Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The total amount of penalty collected must be deposited in the county general fund.

(k) If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

(l) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 21. Minnesota Statutes 1992, section 273.124, is amended by adding a subdivision to read:

Subd. 17. [OWNER-OCCUPIED MOTEL PROPERTY.] For purposes of class 1a determinations, a homestead includes that portion of property defined as a motel under chapter 157, provided that the person residing in the motel property is using that property as a homestead, is part owner, and is actively engaged in the operation of the motel business. Homestead treatment applies even if legal title to the property is in the name of a corporation or partnership and not in the name of the person residing in the motel. The homestead is limited to that portion of the motel actually occupied by the person.

A taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor under section 273.063, in writing, in order to qualify under this subdivision for 1a homestead classification.

Sec. 22. Minnesota Statutes 1992, section 273.124, is amended by adding a subdivision to read:

Subd. 18. [PROPERTY UNDERGOING RENOVATION.] Property that is not occupied as a homestead on the assessment date will be classified as a homestead if it meets each of the following requirements on that date:

(a) The structure is a single family or duplex residence.

(b) The property is owned by a church or an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.

(c) The organization is in the process of renovating the property for use as a homestead by an individual or family whose income is no greater than 60 percent of the county or area gross median income, adjusted for family size, and that renovation process and conveyance for use as a homestead can reasonably be expected to be completed within 12 months after construction begins.

The organization must apply to the assessor for classification under this subdivision within 30 days of its acquisition of the property, and must provide

the assessor with the information necessary for the assessor to determine whether the property qualifies.

Sec. 23. Minnesota Statutes 1992, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. If the market value of the house, garage, and surrounding one acre of land is less than \$115,000, the value of the remaining land including improvements equal to the difference between \$115,000 and the market value of the house, garage, and surrounding one acre of land has a net class rate of .45 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over \$115,000 of market value that does not exceed 320 acres has a net class rate of 1.3 percent of market value, and a gross class rate of 2.25 percent of market value. The remaining property over the \$115,000 market value in excess of 320 acres has a class rate of 1.6 percent of market value, and a gross class rate of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is not improved with a structure and is used exclusively for growing trees for timber, lumber, and wood and wood products, if the owner has participated or is participating in a cost-sharing program for afforestation, reforestation, or timber stand improvement on that particular property, administered or coordinated by the commissioner of natural resources; or (3) real estate that is nonhomestead agricultural land. Class 2b property has a net class rate of 1.6 percent of market value, and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in state or federal farm programs. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(d) Real estate of less than ten acres used principally for raising or cultivating agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

(e) The term "agricultural products" as used in this subdivision includes:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1); and

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing.

(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3).

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 24. Minnesota Statutes 1992, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property and utility real and personal property, except class 5 property as identified in subdivision 31, clause (1), is class 3a. It has a class rate of ~~3.3~~ 3 percent of the first \$100,000 of market value for taxes payable in 1990, ~~3.2~~ percent for taxes payable in 1991, ~~3.1~~ percent for taxes payable in 1992, and three percent for taxes payable in 1993 and thereafter, and 5.06 percent of the market value over \$100,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$100,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$100,000 of market value, except that:

(1) if the market value of the parcel is less than \$100,000, and additional parcels are owned by the same person or entity in the same city or town within that county, the reduced class rate shall be applied up to a combined total market value of \$100,000 for all parcels owned by the same person or entity in the same city or town within the county; and

(2) in the case of grain, fertilizer, and feed elevator facilities, as defined in section 18C.305, subdivision 1, or 232.21, subdivision 8, the limitation to one parcel per owner per county for the reduced class rate shall not apply, but there shall be a limit of \$100,000 of preferential value per site of contiguous parcels owned by the same person or entity. Only the value of the elevator portion of each parcel shall qualify for treatment under this clause. For

purposes of this subdivision, contiguous parcels include parcels separated only by a railroad or public road right-of-way.

To receive the reduced class rate on additional parcels under clauses (1) and (2), the taxpayer must notify the county assessor that the taxpayer owns more than one parcel that qualifies under clause (1) or (2).

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and has a class rate of 2.3 percent of the first \$50,000 of market value and 3.6 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the class rate of the first \$100,000 of market value and the class rate of the remainder is determined under paragraph (a), unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

Sec. 25. Minnesota Statutes 1992, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.5 percent of market value for taxes payable in 1992, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 2.8 percent of market value for taxes payable in 1992, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act or the Minnesota housing finance agency law of 1971, as amended, or rules promulgated by the agency and financed by a direct federal loan or federally insured loan made pursuant to Title II of the Act; or

(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules adopted by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.

This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1990; or (ii) meets the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents unless the owner of the property elects to have the property assessed under Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii); (3), and (4) may apply to the assessor for valuation under Laws 1991, chapter 291, article 1, section 55. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units. This clause applies only to the property of a nonprofit or limited dividend entity.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income

individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics:

- (a) it is a nonprofit corporation organized under chapter 317A;
- (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws;
- (c) it limits membership with voting rights to residents of the designated community; and
- (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The first \$100,000 of the market value of the remainder of the cabins or units and a proportionate share of the land on which they are located shall have a class rate of three percent. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the second year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that (i) each parcel of seasonal residential recreational property not used for commercial purposes under clause (5) has a class rate of 2.2 percent of market value for taxes payable in 1992, and for taxes payable in 1993 and thereafter, the first \$72,000 of market value on each parcel has a class rate of two percent and the market value of each parcel that exceeds \$72,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (8) have a class rate of two percent for taxes payable in 1993, 1994, and 1995 only.

(d) Class 4d property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of

the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. For ~~property for which application is made for 4e or 4d classification for taxes payable in 1994 and thereafter, and which was not classified 4e or 4d for taxes payable in 1993~~ those properties, 4c or 4d classification is available only for those units meeting the requirements of section 273.1318.

Classification under this clause is only available to property of a nonprofit or limited dividend entity.

In the case of a structure financed or refinanced under any federal or state mortgage insurance or direct loan program exclusively for housing for the elderly or for housing for the handicapped, a unit shall be considered occupied so long as it is actually occupied by an elderly or handicapped person or, if vacant, is held for rental to an elderly or handicapped person.

(2) For taxes payable in 1992, 1993 and 1994, only, buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the assessor to determine qualification under this clause.

(3) Qualifying buildings and appurtenances, together with the land upon which they are located, leased for a period of up to five years by the occupant under a lease-purchase program administered by the Minnesota housing finance agency or a housing and redevelopment authority authorized under sections 469.001 to 469.047, provided the occupant's income is no greater than 80 percent of the county or area median income, adjusted for family size, and the building consists of two or less dwelling units. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. The administering agency shall verify the occupants income eligibility and certify to the county assessor that the occupant meets the income criteria under this paragraph. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. For purposes of this section, "qualifying buildings and appurtenances" shall be defined as one or two unit residential buildings which are unoccupied and have been abandoned and boarded for at least six months.

Class 4d property has a class rate of two percent of market value *except that property classified under clause (3), shall have the same class rate as class 1a property.*

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (3); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a

substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 26. Minnesota Statutes 1992, section 273.13, subdivision 33, is amended to read:

Subd. 33. [CLASSIFICATION OF UNIMPROVED PROPERTY.] (a) ~~Except as provided in paragraph~~ *All real property that is not improved with a structure must be classified according to its current use.*

(b); *Real property that is not improved with a structure and for which there is no identifiable current use must be classified according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the unimproved land based upon the use made of surrounding land or land in proximity to the unimproved land.*

~~(b) Real property that is not improved with a structure and is in commercial, industrial, or agricultural use under this section must be classified according to its actual use.~~

Sec. 27. Minnesota Statutes 1992, section 273.1318, subdivision 1, is amended to read:

Subdivision 1. [INCOME LIMITATION.] (a) Subject to the exception in paragraph (b), for a building for which application is made for class 4c for taxes payable in 1994 and thereafter, and which was not class 4c for taxes payable in 1993, only those units occupied by a household whose income is 100 percent or less of the county or area median income adjusted for family size as determined by the department of housing and urban development are eligible for class 4c.

(b) For a building for which application is made for class 4c for taxes payable in 1994 and thereafter, ~~and which was not class 4c for taxes payable in 1993, but~~ for which a formal application was received by a local, state, or federal agency for financing, refinancing, or insurance before July 1, 1992, ~~and for a building that was classified as class 4c for taxes payable in 1993 or an earlier year,~~ the income limit is 100 percent or less of county or area median income not adjusted for family size as determined by the department of housing and urban development.

Sec. 28. Minnesota Statutes 1992, section 273.135, subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to ~~the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate.~~ In no case will the reduction for each homestead resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c) The maximum reduction of the tax is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net class rate to the gross class rate applicable to the first \$72,000 of the market value of residential homesteads, "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after the application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 29. Minnesota Statutes 1992, section 273.33, subdivision 2, is amended to read:

Subd. 2. The personal property, consisting of the pipeline system of mains, pipes, and equipment attached thereto, of pipeline companies and others engaged in the operations or business of transporting natural gas, gasoline, crude oil, or other petroleum products by pipelines, shall be listed with and assessed by the commissioner of revenue. This subdivision shall not apply to the assessment of the products transported through the pipelines nor to the lines of local commercial gas companies engaged primarily in the business of distributing gas to consumers at retail nor to pipelines used by the owner thereof to supply natural gas or other petroleum products exclusively for such owner's own consumption and not for resale to others. *If more than 85 percent of the natural gas or other petroleum products actually transported over the pipeline is used for the owner's own consumption and not for resale to others, then this subdivision shall not apply; provided, however, that in that event, the pipeline shall be assessed in proportion to the percentage of gas actually transported over such pipeline that is not used for the owner's own consumption.* On or before June 30, the commissioner shall certify to the auditor of each county, the amount of such personal property assessment against each company in each district in which such property is located.

Sec. 30. Minnesota Statutes 1992, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or

municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in ~~under~~ section 272.03, subdivision 8 273.11, subdivision 1;

(2) the property's taxable market value after reductions under sections 273.11, subdivisions 1a and 16;

(3) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) (4) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) (5) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) (6) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief";

(6) (7) the net tax payable in the manner required in paragraph (a); and

(7) (8) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.61. These amounts shall be listed as "voter approved referenda levies."

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 31. Minnesota Statutes 1992, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of any property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. *The county board is authorized to consider and grant reductions or abatements on applications only as they relate to taxes payable in the current year and the two prior years; provided that reductions or abatements for the two prior years shall be considered or granted only for (i) clerical errors, or (ii) when the taxpayer fails to file for a reduction or an adjustment due to hardship, as determined by the county board.* The application must include the social security number of the applicant. The social security number is private data on individuals as defined by section 13.02, subdivision 12. All applications must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board, except that the part of the application which is for the abatement of penalty or interest must be approved by the county treasurer and county auditor. Approval by the county or city assessor is not required for abatements of penalty or interest. No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed \$10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

The county auditor shall notify the commissioner of revenue of all abatements resulting from the erroneous classification of real property, for tax purposes, as nonhomestead property. For the abatements relating to the current year's tax processed through June 30, the auditor shall notify the commissioner on or before July 31 of that same year of all abatement applications granted. For the abatements relating to the current year's tax processed after June 30 through the balance of the year, the auditor shall notify the commissioner on or before the following January 31 of all applications granted. The county auditor shall submit a form containing the social security

number of the applicant and such other information the commissioner prescribes.

Sec. 32. [PENDING APPLICATIONS.]

(a) For applications under Minnesota Statutes, section 375.192, subdivision 2, pending prior to the effective date of this act, the county board's current policy is ratified by this act.

(b) If an applicant has filed a judicial action before January 1, 1993, for a reduction or abatement requiring the county to consider the application, paragraph (a) does not apply; provided, however, that no reduction or abatement may be considered by the county board for more than three years.

Sec. 33. Minnesota Statutes 1992, section 429.061, is amended by adding a subdivision to read:

Subd. 5. [SPECIAL ASSESSMENTS; ADMINISTRATIVE EXPENSES.] Notwithstanding any general or special law to the contrary, a municipality shall pay to the county auditor all administrative expenses incurred by the county under subdivision 3 for each special assessment of any local improvement certified by the municipality to the county auditor.

Sec. 34. Minnesota Statutes 1992, section 469.040, subdivision 3, is amended to read:

Subd. 3. [STATEMENT FILED WITH ASSESSOR; PERCENTAGE TAX ON RENTALS.] Notwithstanding the provisions of subdivision 1, after a housing project carried on under sections 469.016 to 469.026 has become occupied, in whole or in part, an authority shall file with the assessor, on or before May 4 April 15 of each year, a statement of the aggregate shelter rentals of that project collected during the preceding calendar year. Unless a greater amount has been agreed upon between the authority and the governing body or bodies for which the authority was created, in whose jurisdiction the project is located, five percent of the aggregate shelter rentals shall be charged to the authority as a service charge for the services and facilities to be furnished with respect to that project. The service charge shall be collected from the authority in the manner provided by law for the assessment and collection of taxes. The amount so collected shall be distributed to the several taxing bodies in the same proportion as the tax rate of each bears to the total tax rate of those taxing bodies. The governing body or bodies for which the authority has been created, in whose jurisdiction the project is located, may agree with the authority for the payment of a service charge for a housing project in an amount greater than five percent of the aggregate annual shelter rentals of any project, upon the basis of shelter rentals or upon another basis agreed upon. The service charge may not exceed the amount which would be payable in taxes were the property not exempt. If such an agreement is made, the service charge so agreed upon shall be collected and distributed in the manner above provided. If the project has become occupied, or if the land upon which the project is to be constructed has been acquired, the agreement shall specify the location of the project for which the agreement is made. "Shelter rental" means the total rentals of a housing project exclusive of any charge for utilities and special services such as heat, water, electricity, gas, sewage disposal, or garbage removal. "Service charge" means payment in lieu of taxes. The records of each housing project shall be open to inspection by the proper assessing officer.

Sec. 35. Laws 1985, chapter 302, section 1, subdivision 3, is amended to read:

Subd. 3. [SPECIAL SERVICES.] "Special services" means all services rendered or contracted for by the city for ~~snow, ice, and litter removal and cleaning of sidewalks, curbs, gutters, and streets and for banners and other decorations to be used to identify and promote the commercial area.~~

- (1) snow, ice removal, and sanding of public areas;
- (2) cleaning of streets, curbs, gutters, sidewalks, and alleys;
- (3) watering, fertilizing, maintenance, and replacement of trees and bushes on public right-of-way;
- (4) poster and handbill removal;
- (5) cleaning and scrubbing of sidewalks;
- (6) provision, installation, maintenance, removal, and replacement of banners and decorative items for promotion of commercial area;
- (7) repair and maintenance of sidewalks;
- (8) installation and maintenance of areawide security systems;
- (9) provision and coordination of security personnel to supplement regular city personnel;
- (10) maintenance, repair, and cleaning of commercial area directories, kiosks, benches, bus shelters, newspaper stands, trash receptacles, information booths, bicycle racks and bicycle storage containers, sculptures, murals, and other public area art pieces;
- (11) installation, maintenance, and removal of lighting on commercial area trees;
- (12) cost of electrical service for pedestrian and tree lighting;
- (13) repair of low-level pedestrian lights and poles;
- (14) provision of comprehensive liability insurance for public space improvements;
- (15) trash removal and recycling costs; and
- (16) provision, maintenance, and replacement of special signage relating to vehicle and bicycle parking, vehicle and pedestrian movement, and special events.

Special services do not include services that are ordinarily provided throughout the city from ordinary revenues of the city unless an increased level of service is provided in the special service district.

Sec. 36. Laws 1985, chapter 302, section 2, subdivision 1, is amended to read:

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt ~~an ordinance~~ ordinances:

- (a) establishing a special service district in the part of Minneapolis which is south of 28th Street, west of Fremont Dupont Avenue South, north of 31st

Street, and east of ~~Humboldt Avenue South~~ East Calhoun Parkway and East Lake of the Isles Parkway; and

(b) *establishing a special service district south of Sixth Street southeast, west of Sixteenth Avenue Southeast, north of a line parallel to and 200 feet south of University Avenue and east of Twelfth Avenue Southeast.*

Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a special service district. The ordinance shall describe with particularity the areas to be included in the district and the special services to be furnished. The ordinance may not be adopted until after a public hearing on the question. Notice of the hearing shall include:

- (1) the time and place of the hearing;
- (2) a map showing the boundaries of the proposed district; and
- (3) a statement that all persons owning property in the proposed district will be given an opportunity to be heard at the hearing.

Sec. 37. Laws 1985, chapter 302, section 4, is amended to read:

Sec. 4. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

The boundary of a special service district may be enlarged, ~~to an area not to exceed one square mile,~~ within the part of Minneapolis described in section 2 only after hearing and notice as provided in section 2. Notice shall be served in the original district and in the area proposed to be added to the district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district.

Sec. 38. [LOCAL APPROVAL.]

Sections 35 to 37 take effect the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 39. [FLOODWOOD AREA AMBULANCE DISTRICT.]

Subdivision 1. [AGREEMENT.] The city of Floodwood and one or more of the towns of Floodwood, Van Buren, Halden, Cedar Valley, Ness, Arrowhead, Fine Lakes, and Prairie Lake, may by resolution of their city council and town boards establish the Floodwood area ambulance district. The town of Ness may provide that only a described part of its territory be included within the district. The St. Louis county board may by resolution provide that property located in unorganized territory 52-21 may be included within the district. The district shall make payments of the proceeds of the tax authorized in this section to the city of Floodwood, which shall provide ambulance services throughout the territory of the district and may exercise all the powers of the city and towns that relate to ambulance service anywhere within its territory. Any other contiguous town or home rule charter or statutory city may join the district with the agreement of the cities and towns that comprise the district at the time of its application to join. Action to join the district may be taken by the city council or town board of the city or town.

Subd. 2. [BOARD.] The district shall be governed by a board composed of one member appointed by the city council or town board of each city and town

in the district. A district board member may, but is not required to, be a member of a city council or town board. Except as provided in this section, members shall serve two-year terms ending the first Monday in January and until their successors are appointed and qualified. Of the members first appointed, as far as possible, the terms of one-half shall expire on the first Monday in January in the first year following their appointment and one-half the first Monday in January in the second year. The terms of those initially appointed shall be determined by lot. If an additional member is added because an additional city or town joins the district, the member's term shall be fixed so that, as far as possible, the terms of one-half of all the members expire on the same date.

Subd. 3. [TAX.] The district may impose a property tax on real and personal property in the district in an amount sufficient to discharge its operating expenses and debt payable in each year, but not to exceed \$25,000 each year. The St. Louis county auditor and treasurer shall collect the tax and pay it to the Floodwood area ambulance district.

Subd. 4. [PUBLIC INDEBTEDNESS.] The district may incur debt in the manner provided for a municipality by Minnesota Statutes, chapter 475, when necessary to accomplish a duty charged to it.

Subd. 5. [WITHDRAWAL.] Upon two years' notice, a city or town may withdraw from the district. Its territory shall remain subject to taxation for debt incurred prior to its withdrawal pursuant to Minnesota Statutes, chapter 475.

Subd. 6. [EFFECTIVE DATE.] This section is effective in the city of Floodwood, and the towns of Floodwood, Van Buren, Halden, Cedar Valley, Ness, Arrowhead, Fine Lakes, and Prairie Lake the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of each. This section is effective for unorganized territory 52-21 the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the St. Louis county board.

Sec. 40. [CITY OF DULUTH; SPECIAL SERVICE DISTRICT.]

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the following meanings:

- (1) "City" means the city of Duluth.
- (2) "Special services" means all services rendered or contracted for by the city, including but not limited to:
 - (i) the construction, repair, maintenance, and operation of any improvements authorized by Minnesota Statutes, sections 429.021 and 469.126;
 - (ii) the acquisition of property within a special service district, including through the use of the power of eminent domain;
 - (iii) the sale or lease of property in the special service district at or below "market rate" for the promotion of development within the district;
 - (iv) parking services rendered or contracted for by the city;
 - (v) promotional services provided or contracted for by the city; and
 - (vi) any other service provided to the public by the city as authorized by law or charter.

(3) "Special service district" means a defined area within the city in which special services are rendered and the costs of special services are paid from revenues collected from service charges imposed within the area as provided in this section.

Subd. 2. [RELATION TO MINNESOTA STATUTES, CHAPTER 428A.] The creation of a special service district under this section must be in accordance with the provisions of Minnesota Statutes, chapter 428A.

Subd. 3. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT; AREA.] The governing body of the city may establish a special service district in the city. The district shall be bounded on the northwest by Interstate Highway 35, on the northeast by the centerline of Sixth Avenue West and as the same is extended to the United States Harbor Line in St. Louis Bay, on the southeast by said Harbor Line and on the southwest by the centerline of Ninth Avenue West and as the same is extended to said Harbor Line.

Subd. 4. [SERVICE CHARGES; DETERMINATION OF AMOUNT.] Service charges based on the net tax capacity of the property within the district shall be distributed in a manner determined by the city council to be a fair, equitable, and reasonable method of determination, taking into account the character and impact of the services to be provided on each parcel in the district; provided, it shall not be necessary to establish a relationship between any special service charges on a parcel of property and the value of special benefits conferred upon that property.

Subd. 5. [DELEGATION TO ECONOMIC DEVELOPMENT AUTHORITY.] After the creation of a special service district, the city council may, by resolution, delegate the operation of the district to an economic development authority created pursuant to Minnesota Statutes, sections 469.090 to 469.108.

Sec. 41. [PROPERTY ACQUIRED FROM ELECTRIC COOPERATIVE.]

Subdivision 1. [PROPERTY EXEMPTION.] Property owned by a cooperative association, as defined in Minnesota Statutes, section 273.40, that is purchased by a public utility, as defined in Minnesota Statutes, section 216B.02, remains exempt from property taxes, if the property:

(1) was exempt under Minnesota Statutes, section 272.02, subdivision 1, clause (18), or section 273.41 when it was owned by the cooperative association; and

(2) is located in St. Louis, Koochiching, Itasca, and Lake counties.

This exemption applies for three assessment years from the date of purchase. The tax under Minnesota Statutes, section 273.41, continues to apply during the three-year exemption period. The rates charged by the public utility must reflect the property tax exemption provided under this section.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective in St. Louis, Koochiching, Itasca, and Lake counties the day after the governing body of the county complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 42. [REPORT TO LEGISLATURE.]

By February 1 of each year, the commissioner of revenue shall make a report to the legislature on the use of limited market value under section 273.13, subdivision 1a, and the valuation exclusion under section 273.13,

subdivision 16. For the limited market value provision, the report shall include the total value excluded from taxation by type of property for each city and town. For the valuation exclusion provision, the report shall include the total market value excluded from taxation for each city and town, as well as a breakdown of the excluded improvement amounts by age and value of the property being improved and the amount of the qualifying improvement. The county assessors shall provide the information necessary for the commissioner to compile the report in a manner prescribed by the commissioner.

Sec. 43. [REPEALER.]

(a) *Minnesota Statutes 1992, section 272.115, subdivision 1a, is repealed.*

(b) *Minnesota Statutes 1992, section 273.124, subdivision 16, is repealed.*

(c) *Minnesota Statutes 1992, section 383C.78, is repealed.*

Sec. 44. [EFFECTIVE DATE.]

Section 1 is effective April 1, 1994.

Sections 2, 3, clause (26), and 43, paragraph (b), are effective for taxes levied in 1993, payable in 1994, and thereafter.

Section 3, clause (25), is effective for taxes levied in 1991, payable in 1992, and thereafter. Upon application to and approval by the county auditor, the county treasurer shall refund to the taxpayer any taxes paid for 1992 that are exempt under section 3, clause (25). The refund shall be paid without interest. Each taxing jurisdiction must reimburse the county for the refund in the same proportion as the taxing jurisdiction's levy bears to the total levies of all jurisdictions for taxes payable in 1992. The amount of the reimbursement may be deducted in the next distribution of tax proceeds to the taxing jurisdiction.

Sections 4 to 7, 17, and 43, paragraph (a), are effective the day following final enactment, except that section 17, paragraphs (c) and (d) are effective for taxes payable in 1994 and thereafter.

Sections 8 to 10, 12, 19, 21 to 27, and 30 are effective for 1993 assessments for taxes payable in 1994 and subsequent years, except if provided otherwise.

Section 11, clauses (1) and (2), are effective for the 1992 assessment, taxes payable in 1993 and thereafter. Section 11, clause (3), is effective for the 1993 assessment, taxes payable in 1994 and thereafter.

Section 13 is effective for qualifying improvements made after January 2, 1993.

Sections 14 and 15 are effective for the 1994 assessment, payable in 1995, and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for valuation under Minnesota Statutes, section 273.112, for the 1994 assessment, the taxpayer of the property devoted to golf and operated by private clubs, that does not meet the requirement of Minnesota Statutes, section 273.112, subdivision 3, for the 1993 assessment year, must submit an affidavit or other written verification to the assessor showing that the bylaws in rules and regulations of the private club meet the eligibility requirements of Minnesota Statutes, section 273.112, by January 1, 1994.

Sections 16 and 18 are effective for assessment year 1994 and subsequent years.

Section 20 is effective for taxes payable in 1995 and thereafter.

Section 28 is effective for taxes payable in 1994 and thereafter.

Section 29 is effective for the 1991 assessment and thereafter, for taxes payable in 1992 and thereafter. For taxes payable in 1992 and 1993, any amounts paid by the property owner in excess of the amounts required by section 29 shall be paid by the county treasurer to the property owner under the abatement procedures.

Section 31 is effective for applications for reductions or abatements filed after the day of final enactment.

Section 33 is effective for assessments certified after July 1, 1993.

Section 40 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth.

Section 43, clause (c) is repealed effective January 2, 1993, provided that any improvements made prior to January 2, 1993, shall continue to qualify for the delayed assessment provisions under section 383C.78 for the duration of the period provided in that section.

ARTICLE 3

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1992, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

- (vii) workers' compensation;
- (viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) a lump sum distribution under section 402(e)(3) of the Internal Revenue Code;

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

- (xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

- (2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

- (c) surplus food or other relief in kind supplied by a governmental agency;
- (d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

- (3) The sum of the following amounts may be subtracted from income:

(a) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(b) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(c) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(d) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

- (e) for the claimant's fifth dependent, the exemption amount; and

(f) if the claimant or claimant's spouse was disabled or attained the age of 65 prior to June 1 on or before December 31 of the year for which the taxes were levied or rent paid, the exemption amount.

For purposes of this subdivision, the "exemption amount" means the exemption amount under section 151(d) of the Internal Revenue Code of

1986, as amended through December 31, 1991, for the taxable year for which the income is reported.

Sec. 2. Minnesota Statutes 1992, section 290A.03, subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is considered a dependent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1991. In the case of a son, stepson, daughter, or stepdaughter of the claimant, amounts received as an aid to families with dependent children grant or allowance to or on behalf of the child, *surplus food, or other relief in kind supplied by a governmental agency* must not be taken into account in determining whether the child received more than half of the child's support from the claimant.

Sec. 3. Minnesota Statutes 1992, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, *as defined under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1992, disregarding section 152(b)(3) of the Internal Revenue Code*, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long-term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (1) and (2), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3, paragraphs (1) and (2), plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long-term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long-term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant

was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Sec. 4. Minnesota Statutes, 1992, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than 12 percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is \$80 or more for taxes payable in 1993, and \$100 or more for taxes payable in 1994, 1995, and 1996, a claimant who is a homeowner shall be allowed an additional refund equal to 75 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or \$80 for taxes payable in 1993, and 75 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or \$100 for taxes payable in 1994, 1995, and 1996. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes.

In the case of refunds for property taxes payable in 1993 and thereafter, The maximum refund allowed under this subdivision is \$1,500.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1993, 1994, and 1995, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims for taxes payable in 1994, 1995, and 1996 exceed \$5,500,000; for each of the three years the commissioner shall increase the \$100 amount of tax increase which must occur before a taxpayer qualifies for a refund, and increase by an equal amount the \$100 threshold used in determining the amount of the refund, so that the estimated total refund claims do not exceed \$5,500,000 for taxes payable in 1994, for taxes payable in 1995, or for taxes payable in 1996.

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

Sec. 5. Minnesota Statutes 1992, section 290A.04, is amended by adding a subdivision to read:

Subd. 6. [INFLATION ADJUSTMENT.] Beginning for property tax refunds payable in calendar year 1995, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refund amounts under subdivisions 2 and 2a for inflation. The commissioner shall make the inflation adjustments using the same percentage determined under section 290.06, subdivision 2d, for taxable years beginning during the calendar year. The commissioner shall round the thresholds and maximum refund amounts, as adjusted, to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount.

The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the administrative procedure act.

Sec. 6. Minnesota Statutes 1992, section 290A.23, is amended to read:

290A.23 [APPROPRIATION.]

Subdivision 1. [RENTERS CREDIT AND TARGETING.] For payments made before July 1, 1996, there is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2a and 2h. For payments made after June 30, 1996, the amount necessary to make the payments required under section 290A.04, subdivision 2a, are appropriated to the commissioner of revenue from the local government trust fund.

Subd. 2. [HOMEOWNERS PROPERTY TAX REFUND AND TARGETING.] There is appropriated from the local government trust fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, ~~subdivision~~ subdivisions 2 and 2h.

Sec. 7. [INCREASE IN PROPERTY TAX REFUNDS FOR RENTERS.]

(a) On the basis of the most recent forecast of local government trust fund revenues and expenditures, not including expenditures under this section, the commissioner of finance shall determine on or before July 1, 1994, whether the local government trust fund revenues for fiscal year 1995 will exceed the amount appropriated from the fund. If the amount of revenues are estimated to exceed appropriations, up to the first \$3,000,000 of the excess is appropriated from the local government trust fund to the commissioner of

revenue to increase the payment of property tax refunds to renters under Minnesota Statutes, section 290A.04, subdivision 2a, for claims relating to rent constituting property taxes for rents paid in 1993. The commissioner shall proportionately increase each claimant's refund by an amount the commissioner estimates is sufficient to pay out the additional appropriation. The amount paid to a claimant under this appropriation is not subject to the limitations under Minnesota Statutes, chapter 290A, on the maximum amount of a refund. The additional refund under this section shall be included with the originally authorized refund and paid at the same time as prescribed for the original refund under Minnesota Statutes, section 290A.07. The commissioner's adjustments are final. If, as a result of the commissioner's estimates the additional refund paid under this section exceeds the amount the commissioner originally determined as the available local government trust fund surplus, the excess is appropriated first from any remaining local government trust fund surplus and then, if necessary, from the general fund.

(b) If an additional appropriation is made under the provision of paragraph (a), the commissioner of revenue shall recommend modifications of the property tax refund schedule to the 1995 legislature to provide an equivalent permanent increase in the property tax refund for renters.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective for refunds payable for rents paid in 1993 and property taxes payable in 1994, and thereafter.

Sections 2 and 3 are effective for refunds payable for rents paid in 1992 and property taxes payable in 1993, and thereafter.

Section 4 is effective for refunds for property taxes payable in 1994, 1995, and 1996 only.

ARTICLE 4

TRUTH IN TAXATION AND LEVY LIMIT TECHNICAL

Section 1. Minnesota Statutes 1992, section 103B.635, subdivision 2, is amended to read:

Subd. 2. [MUNICIPAL FUNDING OF DISTRICT.] (a) The governing body or board of supervisors of each municipality in the district must provide the funds necessary to meet its proportion of the total cost determined by the board, provided the total funding from all municipalities in the district for the costs shall not exceed an amount equal to .00242 percent of the total taxable market value within the district, unless three-fourths of the municipalities in the district pass a resolution concurring to the additional costs.

(b) A municipality may raise the funds by any means that the municipality has to raise funds. The municipalities may each levy a tax not to exceed .00242 percent of taxable market value on the taxable property located in the district for funding the district. The levy must be within all other limitations provided by law.

(c) The funds must be deposited in the treasury of the district in amounts and at times as the treasurer of the district requires.

Sec. 2. Minnesota Statutes 1992, section 134.001, is amended by adding a subdivision to read:

Subd. 8. [REGIONAL PUBLIC LIBRARY DISTRICT.] "Regional public library district" means a governmental unit formed according to this chapter to operate multicounty public library services.

Sec. 3. [134.201] [REGIONAL LIBRARY DISTRICT.]

Subdivision 1. [ESTABLISHMENT.] Regional public library districts may be established under this section in the areas of the existing Great River Regional library system and the East Central Regional library system. The geographic boundaries shall be those established by the state board of education under section 134.34, subdivision 3.

Subd. 2. [FORMATION.] A regional public library district may be formed by:

(1) approval of a majority of the city councils and boards of county commissioners of the cities and counties that finance regional public library system services and represent a majority of the population to be served; or

(2) a majority of those voting on the issue in the entire area to be served by the district in a referendum called after petitions for the referendum have been filed in each of the local governmental units. Petitions must be signed by eligible voters in a number not less than five percent of the number of persons who voted in the last general election in each city and county that is a party to the system contract or agreement.

A city that is not participating in a regional public library system may join the district by majority vote of the city council or by referendum under clause (2) and with the approval of the board of the regional public library district.

Subd. 3. [TERMINATION.] A regional public library district may be terminated at any time after the district has been in operation for three years. The procedure for termination is the same as that for creation under subdivision 2, clause (2).

Subd. 4. [BOARD.] (a) If the district is formed under subdivision 2, clause (1), the board of the public regional library district shall be composed of one county commissioner or the commissioner's designee from each county in the district's service area and one elected member from each county for each ten percent or a major fraction of the district's population. A majority of the members of the board must be elected members.

(b) If the district is formed under subdivision 2, clause (2), the board of the regional library district shall be composed of one member elected from each county in the district's service area and one member elected from each county for each ten percent or a major fraction of the district's population.

(c) Elected board members shall be elected at large from a county at a November election. Board members elected shall assume office on the following January 2. The term of a member shall be four years, with the terms of an initial board to expire in two years for one-half of the members. The board shall organize itself under section 134.11, subdivision 1. The board has the powers and duties set forth in section 134.11, subdivision 2.

Subd. 5. [GENERAL LEVY AUTHORITY.] The board may levy for operation of public library service. This levy shall replace levies for operation of public library service by cities and counties authorized in section 134.07. The amount levied shall be spread on the net tax capacity of all taxable property in the district at a uniform tax rate.

(a) *The maximum amount that may be levied by a board under this section is the greater of: (1) the statewide average local support per capita for public library services for the most recent reporting period available, as certified by the commissioner of education, multiplied by the population of the district according to the most recent estimate of the state demographer or the metropolitan council; or (2) the total amount provided by participating counties and cities under section 134.34, subdivision 4, during the year preceding the first year of operation.*

(b) *For its first year of operation, the board shall levy an amount not less than the total dollar amount provided by participating cities and counties during the preceding year under section 134.34, subdivision 4.*

Subd. 6. [BASIC SYSTEM SUPPORT GRANT.] *A regional public library district that meets federal and state requirements for a regional library basic system support grant is eligible to receive a grant. A regional library basic system support grant shall not be made to a regional public library district if the district board reduces its levy for operation of public library service below the amount of the levy in the preceding year.*

Subd. 7. [LIBRARY BUILDINGS.] *In addition to the levy authorized in subdivision 5 and all other levies authorized for cities and counties, a city or county served by a library district may levy for the construction, acquisition, maintenance, and utilities costs of library buildings. The board of a district may issue bonds, with an election, according to chapter 475 or levy under this section a special capital levy for capital improvements for a library building. A district may purchase or lease a building to be used for library purposes from a city or county.*

Subd. 8. [BORROW MONEY.] *The board of a district may borrow money and issue tax anticipation certificates as needed to provide library services or for library buildings.*

Subd. 9. [TRANSITION PROVISIONS.] *If a regional public library system is reorganized into a regional public library district there will be a transition period. The transition period shall begin at the time the regional public library system board adopts a resolution that recommends formation of a district to its participants and that sets an effective date for the establishment of the district. During the transition period participating counties and cities must fund public library services under their existing contracts, and planning for administrative changes may occur. The regional public library system board shall continue until the district board members assume their duties, at which time the transition period ends.*

Subd. 10. [ASSUMPTION OF ASSETS, LIABILITIES, AND CONTRACTS.] *Upon assumption of responsibilities by the regional public library district board, the regional public library system assets, liabilities, and existing contracts, including contracts negotiated under chapter 179A, shall become the assets, liabilities, and contracts of the regional public library district board.*

Sec. 4. Minnesota Statutes 1992, section 134.35, subdivision 1, is amended to read:

Subdivision 1. [GRANT APPLICATION.] *Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. Regional*

public library districts under section 134.201 may not compensate board members using grant funds. The amount of each grant for each fiscal year shall be calculated as provided in this section.

Sec. 5. Minnesota Statutes 1992, section 134.351, subdivision 4, is amended to read:

Subd. 4. [GOVERNANCE.] In any area where the boundaries of a proposed multicounty, multitype library system coincide with the boundaries of the regional library system *or district*, the regional library system *or district* board shall be designated as the governing board for the multicounty, multitype library system. In any area where a proposed multicounty, multitype library system encompasses more than one regional library system *or district*, the governing board of the multicounty, multitype library system shall consist of nine members appointed by the cooperating regional library system *or district* boards from their own membership in proportion to the population served by each cooperating regional library system *or district*. In each multicounty, multitype library system there shall be established an advisory committee consisting of two representatives of public libraries, two representatives of school media services, one representative of special libraries, one representative of public supported academic libraries, and one representative of private academic libraries. The advisory committee shall recommend needed policy to the system governing board.

Sec. 6. Minnesota Statutes 1992, section 204D.19, is amended by adding a subdivision to read:

Subd. 5. [PROHIBITION.] No special election shall be held under this section on the second Tuesday in December.

Sec. 7. Minnesota Statutes 1992, section 205.10, is amended by adding a subdivision to read:

Subd. 3. [PROHIBITION.] No special election shall be held under this section on the second Tuesday in December.

Sec. 8. Minnesota Statutes 1992, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. A special election may not be held during the 30 days before and the 30 days after the state primary or state general election, *or on the second Tuesday in December*. In addition, a special election may not be held during the 20 days before and the 20 days after any regularly scheduled election of a municipality wholly or partially within the school district. Notwithstanding any other law to the contrary, the time period in which a special election must be conducted

under any other law may be extended by the school board to conform with the requirements of this subdivision.

Sec. 9. Minnesota Statutes 1992, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, ~~other than a town or special taxing district~~ *including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns,* will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. *For 1993, the notice must clearly state that each taxing authority holding a public meeting will describe the increases or decreases of the total budget, including employee and independent contractor compensation in the prior year, current year, and the proposed budget year.*

(d) The notice must state for each parcel:

(1) the market value of the property as ~~defined~~ *determined* under section ~~272.03, subdivision 8~~ *273.11*, and used for computing property taxes payable in the following year and for taxes payable in the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district *excess referenda levy, remaining school district levy, regional library district, if in existence, the total of the metropolitan special taxing districts as defined in paragraph (i) and the sum of the remaining special taxing districts,* and as a total of the taxing authorities, including *all* special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. *In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy.* In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

- (1) special assessments;
- (2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;
- (3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;
- (4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and
- (5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

- (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or
- (2) post a copy of the notice in a conspicuous place on the premises of the property.

(i) *For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:*

- (1) *metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.521, 473.547, or 473.834;*
- (2) *metropolitan airports commission under section 473.667, 473.671, or 473.672;*
- (3) *regional transit board under section 473.446; and*
- (4) *metropolitan mosquito control commission under section 473.711.*

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or

manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 10. Minnesota Statutes 1992, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city that has a population of more than 1,000, county, a metropolitan special taxing district as defined in subdivision 3, paragraph (i), a regional library district established under section 134.201, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

For a city that has a population of more than 1,000 but less than 2,500 the advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 14-point, and the second headline must be in a type no smaller than 12-point. The text of the advertisement must be no smaller than 10-point, except that the property tax amounts and percentages may be in 9-point type.

For a city that has a population of 2,500 or more, a county or a school district, the first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 30-point, and the second headline must be in a type no smaller than 22-point. The text of the advertisement must be no smaller than 14-point, except that the property tax amounts and percentages may be in 12-point type.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

For purposes of this section, the metropolitan special taxing district's advertisement must only be published in the Minneapolis Star and Tribune and the St. Paul Pioneer Press.

(b) The advertisement must be in the following form, except that the notice for a school district may include references to the current budget in regard to proposed property taxes.

"NOTICE OF
PROPOSED PROPERTY TAXES

(City/County/School District/Metropolitan
Special Taxing District/Regional
Library District) of

The governing body of will soon hold budget hearings and vote on the

property taxes for (city/county/metropolitan special taxing district/regional library district services that will be provided in 199__ /school district services that will be provided in 199__ and 199__).

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district/metropolitan special taxing district/regional library district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).''

(c) A city with a population of 1,000 or less must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

(d) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 4A.02.

(e) *The commissioner of revenue, subject to the approval of the chairs of the house and senate tax committees, shall prescribe the form and format of the advertisement.*

(f) *For calendar year 1993, each taxing authority required to publish an advertisement must include on the advertisement a statement that information on the increases or decreases of the total budget, including employee and independent contractor compensation in the prior year, current year, and proposed budget year will be discussed at the hearing.*

(g) *Notwithstanding paragraph (f), for 1993, the commissioner of revenue shall prescribe the form, format, and content of an advertisement comparing current and proposed expense budgets for the metropolitan council, the metropolitan airports commission, the metropolitan mosquito control commission, and the regional transit board. The expense budget must include occupancy, personnel, contractual and capital improvement expenses. The form, format, and content of the advertisement must be approved by the chairs of the house and senate tax committees prior to publication.*

Sec. 11. Minnesota Statutes 1992, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county, metropolitan special taxing districts as defined in subdivision 3, paragraph (i), and regional library districts shall each hold a public hearing to adopt discuss and seek public comment on its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its proposed property tax levy for taxes payable in the following year. *The metropolitan special taxing districts shall be required to hold only a single joint public hearing, the location of which will be determined by the affected metropolitan agencies.*

At the a subsequent hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, metropolitan special taxing district, regional library district, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, 124B.03, subdivision 2, or 136C.411, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the ~~commissioner of revenue or the~~ commissioner of education after the proposed levy was certified.

At the hearing under this subdivision, the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. At the hearing held in 1993 only, specific information for previous year, current year, and proposed budget year must be presented on:

- (i) percent of total proposed budget representing total compensation cost;
- (ii) numbers of employees by general classification, and whether full or part time;
- (iii) number and budgeted expenditures for independent contractors; and
- (iv) the effect of budget increases or decreases on the proposed property tax levy.

During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. At a subsequent hearing, the governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at

least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold ~~its~~ a hearing on the second Tuesday in December each year, *and may hold additional hearings on other dates before December 20 if necessary for the convenience of county residents.* The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August ~~15~~ 10, each school board *and the board of the regional library district* shall certify to the county auditors of the counties in which the school district *or regional library district* is located the dates on which it elects to hold its hearings and any continuations. If a school board *or regional library district* does not certify the dates by August ~~15~~ 10, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. *The county auditor shall coordinate with the metropolitan special taxing districts as defined in subdivision 3, paragraph (i), a date on which the metropolitan special taxing districts will hold their joint public hearing and any continuation.* By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts, *metropolitan special taxing districts, and regional library districts* have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates, *metropolitan special taxing district dates,* or with those elected by or assigned to the school districts *or regional library district* in which the city is located.

The county hearing dates and the city, *metropolitan special taxing district, regional library district,* and school district hearing dates must be designated on the notices required under subdivision 3. The continuation dates need not be stated on the notices.

This subdivision does not apply to towns and special taxing districts *other than regional library districts and metropolitan special taxing districts.*

Notwithstanding the requirements of this section, the employer is required to meet and negotiate over employee compensation as provided for in chapter 179A.

Sec. 12. Minnesota Statutes 1992, section 275.065, is amended by adding a subdivision to read:

Subd. 8. [HEARING.] Notwithstanding any other provision of law, Ramsey county, the city of St. Paul, and independent school district No. 625 are authorized to and shall hold their public hearing jointly. The hearing must be held on the second Tuesday of December each year. The advertisement required in subdivision 5a may be a joint advertisement. The hearing is otherwise subject to the requirements of this section.

Ramsey county is authorized to hold an additional hearing or hearings as provided under this section, provided that any additional hearings must not conflict with the hearing dates of the other taxing districts. However, if Ramsey county elects not to hold such additional hearing or hearings, the

joint hearing required by this subdivision must be held in a St. Paul location convenient to residents of Ramsey county.

Sec. 13. Minnesota Statutes 1992, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality *and, the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), school district excess referenda levy, remaining school district levy, and the total of other voter approved referenda levies based on market value under section 275.61* must be separately stated. The amounts due *all other special taxing districts, if any, may be aggregated.* The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes

payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(6) the net tax payable in the manner required in paragraph (a); and

~~(7) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.61. These amounts shall be listed as "voter approved referenda levies."~~

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 14. [383A.75] [JOINT PROPERTY TAX ADVISORY COMMITTEE.]

Subdivision 1. [CREATION.] There is created the joint property tax advisory committee.

Subd. 2. [MEMBERSHIP.] The membership of the committee consists of the mayor and up to three members of the city council of the city of St. Paul; the county manager and up to three members of the county board of Ramsey county; and the superintendent and up to three members of the board of education of independent school district No. 625. The chair of the Ramsey county league of local governments shall be a nonvoting ex officio member. The committee shall be convened by the mayor of St. Paul, and at the first meeting, the chair for the first year must be determined by lot, and thereafter, the chair must annually rotate among the mayor or designee, the superintendent or designee, and the county manager or designee.

Subd. 3. [DUTIES.] The committee is authorized to and shall meet from time to time to make appropriate recommendations for the efficient and effective use of property tax dollars raised by the jurisdictions for programs, buildings, and operations. In addition, the committee shall:

(1) identify trends and factors likely to be driving budget outcomes over the next five years with recommendations for how the jurisdictions should manage those trends and factors to increase efficiency and effectiveness;

(2) agree, by August 1 of each year, on the appropriate level of overall property tax levy for the three jurisdictions and publicly report such to the governing bodies of each jurisdiction for ratification or modification by resolution;

(3) plan for the joint truth-in-taxation hearings under section 275.065, subdivision 8; and

(4) identify, by December 31 of each year, areas of the budget to be targeted in the coming year for joint review to improve services or achieve efficiencies.

In carrying out its duties, the committee shall consult with public employees

of each jurisdiction and with other stakeholders of the city, county, and school district, as appropriate.

Subd. 4. [STAFF; FUNDING.] The committee must be staffed by employees as designated by each jurisdiction. The committee may also seek public or private funding from any source to assist its work and may utilize volunteer help as appropriate.

Subd. 5. [RECOGNITION OF INNOVATIVE EFFORTS BY LOCAL EMPLOYEES.] The committee may use public or private funding to recognize or reward efforts by local government employees to restructure service delivery to improve efficiency or achieve cost savings.

Sec. 15. Minnesota Statutes 1992, section 473.13, subdivision 1, is amended to read:

Subdivision 1. [BUDGET.] On or before ~~October 4~~ *December 20* of each year the council, after ~~a~~ *the* public hearing required in section 275.065, shall adopt a *final* budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall state in detail the capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget, an increase of over \$10,000 in the council's budget, a program or department budget, or a budget item, must be approved by the council before the increase is allowed or the funds obligated. After adoption of the budget and no later than ~~October 4~~ *five working days after December 20*, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by sections 473.167 and 473.249.

Sec. 16. Minnesota Statutes 1992, section 473.1623, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL REPORT.] By ~~December~~ *February* 15 of even-numbered years, the council, in consultation with the advisory committee, shall publish a consolidated financial report for the council and all metropolitan agencies and their functions, services, and systems. The financial report must cover the calendar year in which the report is published and the ~~two~~ *three* years preceding and ~~three~~ *two* years succeeding that year. The financial report must contain the following information, for each agency, function, or system, respectively, and in the aggregate, in a consistent format that allows comparison over time and among agencies in expenditure and revenue categories:

(1) financial policies, goals, and priorities;

(2) levels and allocation of public expenditure, including capital, debt, operating, and pass-through funds, stated in the aggregate and by appropriate functional, programmatic, administrative, and geographic categories, and the changes in expenditure levels and allocations that the report represents;

- (3) the resources available under existing fiscal policy;
- (4) additional resources, if any, that are or may be required;
- (5) changes in council or agency policies on regional sources of revenue and in levels of debt, user charges, and taxes;
- (6) other changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that have been or may be recommended by the council or the respective agencies;
- (7) an analysis that links, as far as practicable, the uses of funds and the sources of funds, by appropriate categories and in the aggregate;
- (8) a description of how the fiscal policies effectuate current policy and implementation plans of the council and agencies concerned; and.
- (9) a summary of significant changes in council and agency finance and an analysis of fiscal trends.

The council shall present the report for discussion and comment at a public meeting in the metropolitan area and request, in writing, an opportunity to make presentations on the report before appropriate committees of the legislature.

Sec. 17. Minnesota Statutes 1992, section 473.167, subdivision 4, is amended to read:

Subd. 4. [STATE REVIEW.] *The commissioner of revenue shall certify the council's levy limitation under this section to the council by August 1 of the levy year. The council must certify its proposed property tax levy to the commissioner of revenue by August 4 September 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for the right-of-way acquisition loan fund certified by the metropolitan council for levy following the adoption of its proposed budget is within the levy limitation imposed by this section. The determination must be completed prior to September 4 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.*

Sec. 18. Minnesota Statutes 1992, section 473.249, subdivision 2, is amended to read:

Subd. 2. *The commissioner of revenue shall certify the council's levy limitation under this section to the council by August 1 of the levy year. The council must certify its proposed property tax levy to the commissioner of revenue by August 4 September 1 of the levy year. The commissioner of revenue shall annually determine whether the ad valorem property tax certified by the metropolitan council for levy following the adoption of its proposed budget is within the levy limitation imposed by this section. The determination shall be completed prior to September 4 10 of each year. If current information regarding gross tax capacity in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current gross tax capacity within that county for purposes of making the calculation.*

Sec. 19. Minnesota Statutes 1992, section 473.446, subdivision 8, is amended to read:

Subd. 8. [STATE REVIEW.] The board must certify its property tax levy to the commissioner of revenue by August 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for general purposes certified by the regional transit board for levy following the adoption of its budget is within the levy limitation imposed by subdivision 1. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. The determination must be completed prior to September 4 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

Sec. 20. Minnesota Statutes 1992, section 473.741, subdivision 5, is amended to read:

Subd. 5. [STATE REVIEW.] The commission must certify its property tax levy to the commissioner of revenue by August 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax certified by the metropolitan mosquito control commission for levy following the adoption of its budget is within the levy limitation imposed by subdivision 2. The determination must be completed prior to September 4 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.

Sec. 21. Laws 1953, chapter 387, section 1, is amended to read:

Section 1. [Library board, Minneapolis.] The library board of any city now or hereafter having more than 450,000 inhabitants may levy annually on all real and personal property within such city a tax not exceeding four mills on each dollar of the assessed valuation of such city for the establishment, maintenance and government of the libraries of such city, and for the payment of all other expenses proper and incidental to the establishment, maintenance and government of such libraries. The tax herein authorized to be levied shall not at any time be in excess of the maximum rate of taxation fixed for the purposes herein mentioned by any board or department of any such city upon whom the duty of fixing the maximum rate of taxation for the various boards and departments thereof is placed by the charter of such city. For the purpose of determining such tax limitations the property classified as Class 3b or as Class 3e by Section 273.13 M.S. may be computed at 33 1/3 percent and 40 percent, respectively, of the full and true value of such real property is not subject to any limitations on levies in the city charter.

Sec. 22. Laws 1969, chapter 561, section 1, is amended to read:

Section 1. [Minneapolis, city of; park improvement fund; tax levy.] The board of park commissioners of the City of Minneapolis may create a park improvement fund to be maintained by an annual tax levy on the real and personal property of the city not exceeding six-tenths of a mill on each dollar of the assessed valuation of the city. The amount of any such levy shall be subject to the supervision of any fiscal control agency which is now or hereafter provided in the charter of any such city, but is not subject to any charter limitation on the amount of levies for this purpose.

Sec. 23. Laws 1971, chapter 373, section 1, is amended to read:

Section 1. [MINNEAPOLIS, CITY OF; TAX LEVY FOR PARK AND RECREATION FACILITIES.] Subdivision 1. The park and recreation board of the city of Minneapolis may levy annually on the real and personal property of the city a tax ~~not exceeding 8.7 mills on each dollar of the assessed valuation of the city~~ for the purpose of acquiring, equipping, improving, maintaining, operating, and governing parks, parkways, playgrounds and other recreational facilities, and conducting recreational programs for the public use.

Sec. 24. Laws 1971, chapter 373, section 2, is amended to read:

Sec. 2. Any levy under this act shall ~~not~~ be in addition to any levy now authorized for any of such purposes by the charter of the city or by Laws 1969, Chapter 592; the amount of such levy shall be subject to the supervision of any fiscal control agency which is now or hereafter provided in the charter of any such city. All taxes so levied shall be certified to the county auditor on or before ~~October 10~~ *September 1* each year, and shall be collected with, and the payment thereof enforced, in the same manner as the general tax and with like penalties and interest.

Sec. 25. Laws 1971, chapter 455, section 1, is amended to read:

Section 1. [MINNEAPOLIS, CITY OF; PARKS AND PARKWAYS; MAINTENANCE FUND; CREATION OF FUND, TAX LEVY.] The park and recreation board of the city of Minneapolis may create a park rehabilitation and parkway maintenance fund to be maintained by an annual tax levy on the real and personal property of the city ~~not exceeding 1.4 mills on each dollar of the assessed valuation of the city~~. The amount of any such levy shall be subject to the supervision of any fiscal control agency which is now or hereafter provided in the charter of any such city, *but is not subject to any charter limitations on the amount of levies for this purpose.*

Sec. 26. [CANCELLATION OF LEVY LIMIT PENALTIES.]

Any penalty imposed on a local government under Minnesota Statutes 1990, section 275.51, subdivision 4, is canceled provided that (1) the penalty has not been collected from aid payments to the local government by the end of calendar year 1992 and (2) the local government is not certified to receive any aid in 1993 from which the penalty can be collected.

Sec. 27. [APPLICATION.]

The provisions of this article relating to metropolitan taxing districts apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 28. [REPEALER.]

Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1, 2, and 3, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1, 6 to 8, 13, 15 to 25, 27, and 28 are effective for taxes levied in 1993, payable in 1994 and thereafter.

Section 3, subdivision 5, and the provisions of sections 9 to 11 relating to regional library districts are effective for property taxes levied in 1994,

payable in 1995, and thereafter. The other provisions of sections 9 to 11 are effective for property taxes levied in 1993, payable in 1994 and thereafter.

Sections 12 and 14 are effective the day following final enactment and without local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, clause (a), and shall expire after December 31, 1997.

Section 26 is effective beginning with aids payable in calendar year 1993.

ARTICLE 5

INCOME TAX AND FEDERAL UPDATE

Section 1. Minnesota Statutes 1992, section 289A.09, is amended by adding a subdivision to read:

Subd. 3. [FEDERAL ANNUITIES; TAX WITHHOLDING REQUEST.] The commissioner of revenue shall participate with the United States Office of Personnel Management in a program of voluntary state income tax withholding on the federal annuities of retired federal employees. Upon the request of the taxpayer to the commissioner of revenue, and only on request of the taxpayer, the commissioner shall provide for state income tax withholding on federal annuities paid to the taxpayer.

Sec. 2. Minnesota Statutes 1992, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month.

(2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month

following the 25th day of the month. An employer who, during the previous quarter, withheld more than \$500 of tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must deposit tax withheld under those sections with the commissioner within the time allowed to deposit the employer's federal withheld employment taxes under Treasury Regulation, section 31.6302-1, without regard to the safe harbor or de minimus rules in subparagraph (f) or the one-day rule in subsection (c), clause (3). Taxpayers must submit a copy of their federal notice of deposit status to the commissioner upon request by the commissioner.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds \$240,000, the employer must remit each required deposit in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the deposit is due. If the date the deposit is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the deposit is due.

Sec. 3. Minnesota Statutes 1992, section 289A.26, subdivision 7, is amended to read:

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1)(i) for tax years beginning in calendar year 1992, 93 97 percent of the tax shown on the return for the taxable year, or, if no return is filed, 93 97 percent of the tax for that year;

(ii) for tax years beginning after December 31, 1992, 95 percent of the tax shown on the return for the taxable year, or if no return is filed 95 percent of the tax for that year; or

(2) 100 percent of the tax shown on the return of the entity for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the entity.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large

corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over.

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

For the following
required installments:

The applicable
percentage is:

	for tax years beginning in 1992	for tax years beginning after December 31, 1992
1st	23.25 24.25	23.75
2nd	46.5 48.5	47.5
3rd	69.75 72.75	71.25
4th	93 97	95

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the entity determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Sec. 4. Minnesota Statutes 1992, section 289A.50, subdivision 5, is amended to read:

Subd. 5. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT AND MAINTENANCE DEBTORS.] (a) If a court of this state finds that a person obligated to pay child support *or maintenance* is delinquent in making payments, the amount of child support *or maintenance* unpaid and owing, including attorney fees and costs incurred in ascertaining or collecting child support *or maintenance*, must be withheld from a refund due the person under chapter 290. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorney fees, and costs are owed *or the party to whom maintenance, attorney fees, and costs are owed* may petition the district ~~or county~~ court for an order providing for the withholding of the amount of child support, *maintenance*, attorney fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support *or maintenance* payments, attorney fees, and costs have not been paid when they were due.

(b) On order of the court, the commissioner shall withhold the money from the refund due to the person obligated to pay the child support *or maintenance*. The amount withheld shall be remitted to the public agency responsible for child support enforcement ~~or to~~, the parent or guardian petitioning on

behalf of the child, *or the party to whom maintenance is owed*, after any delinquent tax obligations of the taxpayer owed to the revenue department have been satisfied and after deduction of the fee prescribed in section 270A.07, subdivision 1. An amount received by the responsible public agency, or the petitioning parent or guardian, *or the party to whom maintenance is owed*, in excess of the amount of public assistance spent for the benefit of the child to be supported, or the amount of any support, *maintenance*, attorney fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support *or maintenance* payments.

(c) A petition filed under this subdivision remains in effect with respect to any refunds due under this section until the support ~~money~~ *or maintenance*, attorney fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support *or maintenance*, attorney fees, and costs. If a petition is filed under this subdivision *concerning child support* and a claim is made under chapter 270A with respect to the individual's refund and notices of both are received before the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time must be paid first. The amount of the refund remaining must then be applied to the other claim.

Sec. 5. Minnesota Statutes 1992, section 290.01, subdivision 7, is amended to read:

Subd. 7. [RESIDENT.] The term "resident" means (1) any individual domiciled in Minnesota, except that an individual is not a "resident" for the period of time that the individual is a "qualified individual" as defined in section 911(d)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1991, ~~unless, during that period, a Minnesota homestead application is filed for property in which the individual has an interest if the qualified individual notifies the county within three months of moving out of the country that homestead status be revoked for the Minnesota residence of the qualified individual, and the property is not classified as a homestead while the individual remains a qualified individual;~~ and (2) any individual domiciled outside the state who maintains a place of abode in the state and spends in the aggregate more than one-half of the tax year in Minnesota, unless the individual or the spouse of the individual is in the armed forces of the United States, or the individual is covered under the reciprocity provisions in section 290.081.

For purposes of this subdivision, presence within the state for any part of a calendar day constitutes a day spent in the state. Individuals shall keep adequate records to substantiate the days spent outside the state.

The term "abode" means a dwelling maintained by an individual, whether or not owned by the individual and whether or not occupied by the individual, and includes a dwelling place owned or leased by the individual's spouse.

Sec. 6. Minnesota Statutes 1992, section 290.01; subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provisions of section 11702 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, and the provisions of sections 11701 and

11703 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1989, shall be in effect for taxable years beginning after December 31, 1989. The provisions of sections 11321, 11322, 11324, 11325, 11403, 11404, 11410, and 11521 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1990, shall be in effect for taxable years beginning after December 31, 1990.

The Internal Revenue Code of 1986, as amended through December 31, 1991, shall be in effect for taxable years beginning after December 31, 1991.

The provisions of sections 1936 and 1937 of the Comprehensive National Energy Policy Act of 1992, Public Law Number 102-486, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1992, shall be in effect for taxable years beginning after December 31, 1992.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 7. Minnesota Statutes 1992, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section

63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income tax is the last itemized deduction disallowed; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729; and

(5) the amount of any deduction taken under section 162(a)(1) of the Internal Revenue Code for the taxable year for wages, salary, and bonuses in excess of \$1,000,000 paid to any employee except a person who is employed by the taxpayer as a professional athlete.

Sec. 8. Minnesota Statutes 1992, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; or the District of Columbia; or *Indian tribal governments*;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any windfall profits tax deducted under section 164 or 471 of the Internal Revenue Code;

(5) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(6) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code;

(7) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(8) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(9) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code;

(10) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(11) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(12) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities; and

(13) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g); and

(14) the amount of any deduction taken under section 162(a)(1) of the Internal Revenue Code for the taxable year for wages, salary, and bonuses in excess of \$1,000,000 paid to any employee except a person who is employed by the taxpayer as a professional athlete.

Sec. 9. Minnesota Statutes 1992, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] An individual is allowed a credit against the tax imposed by this chapter equal to ~~ten~~ 15 percent of the credit for which the individual is eligible under section 32 of the Internal Revenue Code of 1986, as amended through December 31, 1991.

For a nonresident or part-year resident, the credit determined under section 32 of the Internal Revenue Code of 1986, as amended through December 31, 1991, must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income.

Sec. 10. Minnesota Statutes 1992, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable

contribution deduction and non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code, and excluding the medical expense deduction;

(3) *for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);*

(4) *to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);*

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1994 1992.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals seven percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 11. Minnesota Statutes 1992, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) seven percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1), *determined without regard to the last sentence of paragraph (1)*, of the Internal Revenue Code, less

(v) the deductions provided in clauses (3)(i), (3)(ii), and (3)(iii) of subdivision 2, paragraph (a), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 12. Minnesota Statutes 1992, section 290.0921, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAXABLE INCOME.] "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification

made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

(2) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(3) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(4) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without regard to *subparagraph (E)* and the subtraction under section 290.01, subdivision 19d, clause (4).

(7) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(8) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(9) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

(10) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(11) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (10), or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (11).

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

Sec. 13. Minnesota Statutes 1992, section 290.191, subdivision 4, is amended to read:

Subd. 4. [APPORTIONMENT FORMULA FOR CERTAIN MAIL ORDER BUSINESSES.] If the business of a corporation, partnership, or proprietorship consists exclusively of the selling of tangible personal property and services in response to orders received by United States mail or telephone, and 99 percent of the taxpayer's property and payroll is within Minnesota, then the taxpayer may apportion net income to Minnesota based solely upon

the percentage that the sales made within this state in connection with ~~the~~ its trade or business during the tax period are of the total sales wherever made in connection with the trade or business during the tax period. Property and payroll factors are disregarded. In determining eligibility for this subdivision:

(1) the sale not in the ordinary course of business of tangible or intangible assets used in conducting business activities must be disregarded; and

(2) property and payroll at a distribution center outside of Minnesota are disregarded if the sole activity at the distribution center is the filling of orders, and no solicitation of orders occurs at the distribution center.

Sec. 14. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1992" for the words "Internal Revenue Code of 1986, as amended through December 31, 1991" where the phrase occurs in chapters 289A, 290, 290A, 291, and 297, except for section 290.01, subdivision 19, and for the words "Internal Revenue Code of 1986, as amended through December 31, 1988," where the phrase occurs in chapter 298. In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1992," for references to the Internal Revenue Code of 1954 or the Internal Revenue Code of 1986, as amended through dates set in sections 61A.276; 82A.02; 136.58; 181B.02; 181B.07; 246A.23; 246A.26, subdivisions 1, 2, 3, and 4; 272.02, subdivision 1; 273.11, subdivision 8; 297A.01, subdivision 3; 297A.25, subdivision 25; 352.01, subdivision 2b; 354A.021, subdivision 5; 355.01, subdivision 9; and 356.62.

Sec. 15. [EFFECTIVE DATE.]

Section 2 is effective for payments received after December 31, 1993.

Section 3 is effective for tax years beginning after December 31, 1993.

Sections 5 to 14 are effective for tax years beginning after December 31, 1992.

ARTICLE 6

SALES AND SPECIAL TAXES

Section 1. [17.451] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 and 2.

Subd. 2. [FARMED CERVIDAE.] "Farmed cervidae" means members of the cervidae family that are:

(1) raised for the purpose of producing fiber, meat, or animal by-products or as breeding stock;

(2) held in a constructed enclosure designed to prevent escape; and

(3) registered in a manner approved by the board of animal health and marked or identified with a unique number or other system approved by the board.

Subd. 3. [OWNER.] "Owner" means a person who owns or is responsible for the raising of farmed cervidae.

Sec. 2. [17.452] [FARM-RAISED CERVIDAE.]

Subdivision 1. [PROMOTION AND COORDINATION.] (a) The commissioner shall promote the commercial raising of farmed cervidae and shall coordinate programs and rules related to the commercial raising of farmed cervidae. Farmed cervidae research, projects, and demonstrations must be reported to the commissioner before state appropriations for the research projects or demonstrations are encumbered. The commissioner shall maintain a data base of information on raising farmed cervidae.

(b) The commissioner shall appoint a farmed cervidae advisory committee to advise the commissioner on farmed cervidae issues. The advisory committee shall consist of representatives from the University of Minnesota, the commissioner of agriculture, the board of animal health, the commissioner of natural resources, the commissioner of trade and economic development, a statewide elk breeders association, a statewide deer breeders association, a statewide deer farmers association, and members of the house of representatives and the senate. The committee shall meet at least twice a year at the call of the commissioner of agriculture.

Subd. 2. [DEVELOPMENT PROGRAM.] The commissioner may establish a Minnesota development and aid program that may support applied research, demonstration, financing, marketing, promotion, breeding development, registration, and other services for owners.

Subd. 3. [REPORT.] The commissioner shall include information on farmed cervidae in the department's statistical reports on Minnesota agriculture.

Subd. 4. [FARMED CERVIDAE ARE LIVESTOCK.] Farmed cervidae are livestock and are not wild animals for purposes of game farm, hunting, or wildlife laws. Farmed cervidae and their products are farm products and livestock for purposes of financial transactions and collateral.

Subd. 5. [RAISING FARMED CERVIDAE IS AN AGRICULTURAL PURSUIT.] Raising farmed cervidae is agricultural production and an agricultural pursuit.

Subd. 6. [RUNNING AT LARGE PROHIBITED.] (a) An owner may not allow farmed cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed cervidae to their enclosures as soon as possible. The owner must notify the commissioner of natural resources of the escape of farmed red deer if the farmed red deer are not returned or captured by the owner within 72 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed cervidae that have left their enclosures if the person capturing the farmed cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed cervidae, the commissioner of natural resources may destroy the escaped farmed cervidae under this paragraph if the escaped farmed cervidae are a threat to the health or population of native species. The commissioner must allow the owner to attempt to capture the escaped farmed cervidae prior to destroying

the farmed cervidae. Farmed cervidae that are not captured by 14 days after escape may be destroyed.

(d) The owner must notify the commissioner of natural resources of the escape of farmed cervidae from a quarantined herd if the farmed cervidae are not returned to or captured by the owner within 72 hours of their escape. The escaped farmed cervidae from the quarantined herd may be destroyed by the commissioner of natural resources if the escaped farmed cervidae are a threat to the health or population of native species.

Subd. 7. [FARMING IN NATIVE ELK AREA.] A person may not raise farmed red deer in the native elk area without written approval of the commissioner of natural resources. The native elk area is the area north of U.S. Highway 2 and west of U.S. Highway 71 and trunk highway 72. The commissioner shall review the proposed farming operation and approve with any condition or deny approval based on risks to the native elk population.

Subd. 8. [SLAUGHTER.] Farmed cervidae must be slaughtered and inspected in accordance with the United States Department of Agriculture voluntary program for exotic animals, Code of Federal Regulations, title 9, part 352.

Subd. 9. [SALES OF FARMED CERVIDAE AND MEAT PRODUCTS.] Persons selling or buying farmed cervidae sold as livestock, sold for human consumption, or sold for slaughter must comply with chapters 17A, 31, 31A, and 31B.

Subd. 10. [FENCING.] (a) Farmed cervidae must be confined in a manner designed to prevent escape. Fencing must meet the requirements in this subdivision unless an alternative is specifically approved by the commissioner. The board of animal health shall follow the guidelines established by the United States Department of Agriculture in the program for eradication of bovine tuberculosis. Fencing must be of the following heights:

(1) for farmed deer, at least 75 inches; and

(2) for farmed elk, at least 90 inches.

(b) The farmed cervidae advisory committee shall establish guidelines designed to prevent the escape of farmed cervidae and other appropriate management practices.

(c) The commissioner of agriculture in consultation with the commissioner of natural resources shall adopt rules prescribing fencing criteria for farmed cervidae.

Subd. 11. [DISEASE INSPECTION.] Farmed cervidae herds are subject to chapter 35 and the rules of the board of animal health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.

Subd. 12. [IDENTIFICATION.] (a) Farmed cervidae must be identified by brands, markings, tags, collars, electronic implants, tattoos, or other means of identification approved by the board of animal health. The board shall authorize discrete permanent identification for farmed cervidae in public displays or other forums where visible identification is objectionable.

(b) Identification of farmed cervidae is subject to sections 35.821 to 35.831.

(c) *The board of animal health shall register farmed cervidae upon request of the owner. The owner must submit the registration request on forms provided by the board. The forms must include sales receipts or other documentation of the origin of the cervidae. The board shall provide copies of the registration information to the commissioner of natural resources upon request. The owner must keep written records of the acquisition and disposition of registered farmed cervidae.*

Subd. 13. [INSPECTION.] The commissioner of agriculture and the board of animal health may inspect farmed cervidae and farmed cervidae records. The commissioner of natural resources may inspect farmed cervidae and farmed cervidae records with reasonable suspicion that laws protecting native wild animals have been violated. The owner must be notified in writing at the time of the inspection of the reason for the inspection and informed in writing after the inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an ongoing investigation or continuing evaluation.

Subd. 14. [CONTESTED CASE HEARING.] A person raising farmed cervidae that is aggrieved with any decision regarding the farmed cervidae may request a contested case hearing under chapter 14.

Sec. 3. [17.453] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 3 and 4.

Subd. 2. [OWNER.] "Owner" means a person who owns or is responsible for the raising of ratitae.

Subd. 3. [RATITAE.] "Ratitae" means members of the ratitae family (including ostriches, emus, and rheas) that are raised for the purpose of producing fiber, meat, or animal by-products or as breeding stock.

Sec. 4. [17.454] [RATITAE.]

Subdivision 1. [RATITAE ARE LIVESTOCK.] Ratitae are livestock and are not wild animals for purposes of hunting or wildlife laws. Ratitae and their products are farm products and livestock for purposes of financial transactions and collateral.

Subd. 2. [RAISING RATITAE IS AN AGRICULTURAL PURSUIT.] Raising ratitae is agricultural production and an agricultural pursuit.

Subd. 3. [SALES OF RATITAE AND MEAT PRODUCTS.] Persons selling or buying ratitae sold as livestock, sold for human consumption, or sold for slaughter must comply with chapters 17A, 28A, 31, 31A, and 31B.

Subd. 4. [SLAUGHTER.] Ratitae must be slaughtered and inspected in accordance with the United States Department of Agriculture voluntary inspection program for exotic animals, Code of Federal Regulations, title 9, part 352.

Subd. 5. [DISEASE INSPECTION.] Ratitae are subject to chapter 35 and the rules of the board of animal health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.

Sec. 5. [17.455] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 5 and 6.

Subd. 2. [LLAMA.] "Llama" means a member of the genus lama that is raised for the purpose of producing fiber, meat, or animal by-products or as breeding stock.

Subd. 3. [OWNER.] "Owner" means a person who owns or is responsible for the raising of llamas.

Sec. 6. [17.456] [LLAMA.]

Subdivision 1. [LLAMAS ARE LIVESTOCK.] Llamas are livestock and are not wild animals for purposes of hunting or wildlife laws. Llamas and their products are farm products and livestock for purposes of financial transactions and collateral.

Subd. 2. [RAISING LLAMAS IS AN AGRICULTURAL PURSUIT.] Raising llamas is agricultural production and an agricultural pursuit.

Subd. 3. [SALES OF LLAMAS AND MEAT PRODUCTS.] Persons selling or buying llamas sold as livestock, sold for human consumption, or sold for slaughter must comply with chapters 17A, 28A, 31, 31A, and 31B.

Subd. 4. [SLAUGHTER.] Llamas must be slaughtered and inspected in accordance with the United States Department of Agriculture voluntary inspection program for exotic animals, Code of Federal Regulations, title 9, part 352.

Subd. 5. [DISEASE INSPECTION.] Llamas are subject to chapter 35 and the rules of the board of animal health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.

Sec. 7. Minnesota Statutes 1992, section 17A.03, subdivision 5, is amended to read:

Subd. 5. [LIVESTOCK.] "Livestock" means cattle, sheep, swine, horses intended for slaughter, mules, farmed cervidae, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3, and goats.

Sec. 8. Minnesota Statutes 1992, section 31.51, subdivision 9, is amended to read:

Subd. 9. "Animal" means cattle, swine, sheep, goats, farmed cervidae, as defined in section 17.451, subdivision 2, horses, mules or other equines, llamas as defined in section 17.455, subdivision 2, and ratitae, as defined in section 17.453, subdivision 3.

Sec. 9. Minnesota Statutes 1992, section 31A.02, subdivision 4, is amended to read:

Subd. 4. [ANIMALS.] "Animals" means cattle, swine, sheep, goats, farmed cervidae, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3, horses, equines, and other large domesticated animals, not including poultry.

Sec. 10. Minnesota Statutes 1992, section 31A.02, subdivision 10, is amended to read:

Subd. 10. [MEAT FOOD PRODUCT.] "Meat food product" means a product usable as human food and made wholly or in part from meat or a portion of the carcass of cattle, sheep, swine, *farmed cervidae*, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, *ratitae*, as defined in section 17.453, subdivision 3, or goats. "Meat food product" does not include products which contain meat or other portions of the carcasses of cattle, sheep, swine, *farmed cervidae*, llamas, *ratitae*, or goats only in a relatively small proportion or that historically have not been considered by consumers as products of the meat food industry, and which are exempted from definition as a meat food product by the commissioner under the conditions the commissioner prescribes to assure that the meat or other portions of carcasses contained in the products are not adulterated and that the products are not represented as meat food products.

"Meat food product," as applied to products of equines, has a meaning comparable to that for cattle, sheep, swine, *farmed cervidae*, llamas, *ratitae*, and goats.

Sec. 11. Minnesota Statutes 1992, section 31B.02, subdivision 4, is amended to read:

Subd. 4. [LIVESTOCK.] "Livestock" means live or dead cattle, sheep, swine, horses, mules, *farmed cervidae*, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, *ratitae*, as defined in section 17.453, subdivision 3, or goats.

Sec. 12. Minnesota Statutes 1992, section 35.821, subdivision 4, is amended to read:

Subd. 4. [MARK.] "Mark" means a permanent identification cut from the ear or ears of a live animal and for *farmed cervidae*, as defined in section 17.451, subdivision 2, means a tag, collar, electronic implant, tattoo, or other means of identification approved by the board.

Sec. 13. Minnesota Statutes 1992, section 115B.22, subdivision 7, is amended to read:

Subd. 7. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering sections 115B.22 and 115B.24, the proceeds of the taxes imposed under this section including any interest and penalties shall be deposited in the environmental response, compensation, and compliance account.

Sec. 14. Minnesota Statutes 1992, section 239.785, is amended to read:

239.785 [LIQUEFIED PETROLEUM GAS SALES.]

Subdivision 1. [LIABILITY FOR PAYMENT.] (a) The operator of a terminal that sells located in Minnesota from which liquefied petroleum gas for resale to retail customers is dispensed for use or sale in this state other than for delivery to another terminal shall pay a fee equal to one mill for each gallon of liquefied petroleum gas sold by the terminal dispensed.

(b) Any person in Minnesota, other than the operator of a terminal, receiving liquefied petroleum gas from a source outside of Minnesota for use

or sale in this state shall pay a fee equal to one mill for each gallon of liquefied petroleum gas received.

Subd. 2. [DUE DATES FOR FILING OF RETURNS AND PAYMENT.] The fee must be remitted monthly ~~to~~ on a form prescribed by the commissioner of revenue for deposit in the general fund. The fee must be paid and the return filed on or before the 23rd day of each month following the month in which the liquefied petroleum gas was delivered or received.

Subd. 3. [PENALTIES.] An operator or person who fails to pay the fee imposed under this section is subject to the penalties provided in sections 296.15 and 296.25.

Subd. 4. [COMMISSIONER'S AUTHORITY.] The provisions of chapter 296 relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the fee imposed by this section.

Subd. 5. [INTEREST.] Fees and penalties are subject to interest at the rate provided in section 270.75.

Sec. 15. Minnesota Statutes 1992, section 289A.56, subdivision 3, is amended to read:

Subd. 3. [WITHHOLDING TAX, ENTERTAINER WITHHOLDING TAX, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, ESTATE TAX, AND SALES TAX OVERPAYMENTS.] When a refund is due for overpayments of withholding tax, entertainer withholding tax, withholding from payments to out-of-state contractors, or estate tax, ~~or sales tax,~~ interest is computed from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.

For purposes of computing interest on sales and use tax refunds, interest is paid from the date of payment to the date the refund is paid or credited, if the refund claim includes a detailed schedule reflecting the tax periods covered in the claim. If the refund claim submitted does not include a detailed schedule reflecting the tax periods covered in the claim, interest is computed from the date the claim was filed.

Sec. 16. Minnesota Statutes 1992, section 289A.63, subdivision 3, is amended to read:

Subd. 3. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of making retail sales in Minnesota without the permit ~~or permits~~ required under chapter 297A, or a responsible officer of a corporation who so engages in business, is guilty of a gross misdemeanor.

(b) A person who engages in the business of making retail sales in Minnesota after revocation of a permit under section 297A.07, when the commissioner has not issued a new permit, is guilty of a felony.

Sec. 17. Minnesota Statutes 1992, section 296.01, is amended by adding a subdivision to read:

Subd. 38. [PASSENGER SNOWMOBILE.] "Passenger snowmobile" means a self-propelled vehicle designed for travel on snow or ice, steered by skis or runners, with an enclosed passenger section that provides seating for not less than four nor more than twelve passengers.

Sec. 18. Minnesota Statutes 1992, section 296.02, subdivision 8, is amended to read:

Subd. 8. [CREDITS FOR SALES TO GOVERNMENTS AND SCHOOLS.] A distributor shall be allowed a credit of 80 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold to the state, local units of government, or for use in the transportation of pupils to and from school-related events in school vehicles owned by or under contract to a school district. This reduction is in lieu of the reductions provided in subdivision 7.

Sec. 19. [296.035] [CREDIT FOR CERTAIN FUELS.]

A licensed distributor or a special fuels dealer, either of which elect to pay the tax under section 296.12, subdivision 3a, at the time special fuel is sold or delivered into the supply tank of an aircraft or licensed motor vehicle, is allowed a credit of ten cents per gallon for each gallon of diesel fuel manufactured from rerefined waste oil and sold or delivered into the supply tank of an aircraft or licensed motor vehicle. A licensed distributor is allowed a credit of ten cents per gallon for each gallon of diesel fuel manufactured from rerefined waste oil and delivered into the storage tank of a retail service station operated by the distributor or a special fuel dealer, if either the distributor or special fuel dealer does not elect to pay the tax under section 296.12, subdivision 3a, at the time the special fuel is sold or delivered into the supply tank of an aircraft or licensed motor vehicle.

Sec. 20. Minnesota Statutes 1992, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [CLAIM; FUEL USED IN OTHER VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles *except as provided in clause (2)*, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. *"Off-highway business use" includes use of a passenger snowmobile off the public highways as part of the operations of a resort as defined in section 157.01, subdivision 1.* "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 21. Minnesota Statutes 1992, section 297A.01, subdivision 6, is amended to read:

Subd. 6. "Use" includes the exercise of any right or power over tangible personal property, or tickets or admissions to places of amusement or athletic events, purchased from a retailer incident to the ownership of any interest in that property, except that it does not include the sale of that property in the regular course of business.

"Use" includes the consumption of printed materials which are consumed in the creation of nontaxable advertising that is distributed, either directly or indirectly, within Minnesota.

Sec. 22. Minnesota Statutes 1992, section 297A.01, subdivision 13, is amended to read:

Subd. 13. "Agricultural production," as used in section 297A.25, subdivision 9, includes, but is not limited to, horticulture; floriculture; raising of pets, fur bearing animals, research animals, *farmed cervidae, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3,* and horses.

Sec. 23. Minnesota Statutes 1992, section 297A.01, subdivision 15, is amended to read:

Subd. 15. "Farm machinery" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in the production for sale, but not including the processing, of livestock, dairy animals, dairy products, poultry and poultry products, fruits, vegetables, forage, grains and bees and apiary products. "Farm machinery" includes:

(1) machinery for the preparation, seeding or cultivation of soil for growing agricultural crops and sod, harvesting and threshing of agricultural products, harvesting or mowing of sod, and certain machinery for dairy, livestock and poultry farms;

(2) barn cleaners, milking systems, grain dryers, automatic feeding systems and similar installations, whether or not the equipment is installed by the seller and becomes part of the real property;

(3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe fittings, valves, sprinklers and other equipment necessary to the operation of an irrigation system when sold as part of an irrigation system, except irrigation equipment which is situated below ground and considered to be a part of the real property;

(4) logging equipment, including chain saws used for commercial logging;
and

(5) fencing used for the containment of farmed cervidae, as defined in section 17.451, subdivision 2; and

(6) primary and backup generator units used to generate electricity for the purpose of operating farm machinery, as defined in this subdivision, or providing light or space heating necessary for the production of livestock, dairy animals, dairy products, or poultry and poultry products.

Repair or replacement parts for farm machinery shall not be included in the definition of farm machinery.

Tools, shop equipment, grain bins, feed bunks, fencing material *except fencing material covered by clause (5)*, communication equipment and other farm supplies shall not be considered to be farm machinery. "Farm machinery" does not include motor vehicles taxed under chapter 297B, snowmobiles, snow blowers, lawn mowers except those used in the production of sod for sale, garden-type tractors or garden tillers and the repair and replacement parts for those vehicles and machines.

Sec. 24. Minnesota Statutes 1992, section 297A.01, subdivision 16, is amended to read:

Subd. 16. [CAPITAL EQUIPMENT.] (a) Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing, fabricating, mining, quarrying, or refining a ~~product~~ *tangible personal property, for electronically transmitting results retrieved by a customer of an on-line computerized data retrieval system, or for the generation of electricity or steam*, to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, mining, quarrying, or refining facility in the state. For purposes of this subdivision, "mining" includes peat mining, and "on-line computerized data retrieval system" refers to a system whose cumulation of information is equally available and accessible to all its customers.

(b) Capital equipment does not include the following:

(1) machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility;

(2) repair or replacement parts, ~~or~~ *including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications, and whether purchased before or after the machinery or equipment is placed into service. Parts or accessories are treated as capital equipment only to the extent that they are a part of and are essential to the operation of the machinery or equipment as initially purchased;*

(3) machinery or equipment used to receive or store raw materials;

(4) building materials, including materials used for foundations that support machinery or equipment;

(5) machinery or equipment used for nonproduction purposes, including, but not limited to, the following: machinery and equipment used for plant security, fire prevention, first aid, and hospital stations; machinery and equipment used in support operations or for administrative purposes; machinery and equipment used solely for pollution control, prevention, or abatement; machinery and equipment used for environmental control, except that when a controlled environment is essential for the manufacture of a particular product, the machinery or equipment that controls the environment can qualify as capital equipment; and machinery and equipment used in plant cleaning, disposal of scrap and waste, plant communications, lighting, or safety;

(6) "farm machinery" as defined by section 297A.01, subdivision 15, "special tooling" as defined by section 297A.01, subdivision 17, and "aquaculture production equipment" as defined by section 297A.01, subdivision 19; or

(7) any other item that is not essential to the integrated process of manufacturing, fabricating, mining, quarrying, or refining.

(c) For purposes of this subdivision:

(1) the requirement that the machinery or equipment "must be used by the purchaser or lessee" means that the person who purchases or leases the machinery or equipment must be the one who uses it for the qualifying purpose. When a contractor buys and installs machinery or equipment as part of an improvement to real property, only the contractor is considered the purchaser;

(2) the requirement that the machinery and equipment must be used "for manufacturing, fabricating, mining, quarrying, or refining" means that the machinery or equipment must be essential to the integrated process of manufacturing, fabricating, mining, quarrying, or refining. Neither legal requirements nor practical necessity determines whether or not the equipment is essential to the integrated process;

(3) "facility" means a coordinated group of fixed assets, which may include land, buildings, machinery, and equipment that are essential to and used in an integrated manufacturing, fabricating, refining, mining, or quarrying process;

(4) "establishment of a new facility" means the construction of a facility, or the purchase by a new owner of a facility that was previously closed and not operational for a period of at least 12 consecutive months. Relocating operations from an existing facility within Minnesota to another facility within Minnesota does not constitute establishing a new facility;

(5) "physical expansion of an existing facility" means adding a new production line, adding new machinery or equipment to an existing production line, new construction which will become part of the existing facility and which is used for a qualifying activity, or conversion of an area in an existing facility from a nonqualifying activity to a qualifying activity; and

(6) performing "substantially the same function" means that the new machinery or equipment serves fundamentally or essentially the same purpose

as did the old equipment or that it produces the same or similar end product, even though it may increase speed, efficiency, or production capacity.

(d) Notwithstanding prior provisions of this subdivision, machinery and equipment purchased or leased to replace machinery and equipment used in the mining or production of taconite shall qualify as capital equipment regardless of whether the facility has been expanded.

Sec. 25. Minnesota Statutes 1992, section 297A.04, is amended to read:

297A.04 [APPLICATIONS; MEMBER; VENDING MACHINES; FORM.]

Every person desiring to engage in the business of making retail sales within Minnesota shall file with the commissioner an application for a permit and if such person has more than one place of business, an application for each place of business must be filed. A vending machine operator who has more than one vending machine location shall nevertheless be considered to have only one place of business for purposes of this section. An applicant who has no regular place of doing business and who moves from place to place shall be considered to have only one place of business and shall attach such permit to the applicant's cart, stand, truck or other merchandising device. The commissioner may require any person or class of persons obligated to file a use tax return under section 289A.11, subdivision 3, to file application for a permit. Every application for a permit shall be made upon a form prescribed by the commissioner and shall set forth the name under which the applicant intends to transact business, the location of the applicant's place or places of business, and such other information as the commissioner may require. The application shall be filed by the owner, if a natural person; by a member or partner, if the owner be is an association or partnership; by a person authorized to sign file the application, if the owner be is a corporation.

Sec. 26. Minnesota Statutes 1992, section 297A.06, is amended to read:

297A.06 [PERMIT.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall issue grant to each applicant a separate permit for each place of business within Minnesota. A permit shall be is valid until canceled or revoked but shall is not be assignable and shall be is valid only for the person in whose name it is issued granted and for the transaction of business at the place places designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 27. Minnesota Statutes 1992, section 297A.07, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS.] If any person fails to comply with this chapter or the rules adopted under this chapter, without reasonable cause, the commissioner may schedule a hearing requiring the person to show cause why the permit or permits should not be revoked. The commissioner must give the person 15 days' notice in writing, specifying the time and place of the hearing and the reason for the proposed revocation. The notice shall also advise the person of the person's right to contest the revocation under this subdivision, the general procedures for a contested case hearing under chapter 14, and the notice requirement under subdivision 2. The notice may be served personally or by mail in the manner prescribed for service of an order of assessment.

Sec. 28. Minnesota Statutes 1992, section 297A.11, is amended to read:

297A.11 [CONTENT AND FORM OF EXEMPTION CERTIFICATE.]

The exemption certificate shall be signed by and bear the name and address of the purchaser, shall indicate the sales tax account number of the permit if any issued to the purchaser and shall indicate the general character of the property sold by the purchaser in the regular course of business and shall identify the property purchased. The certificate shall be substantially in such form as the commissioner may prescribe.

Sec. 29. Minnesota Statutes 1992, section 297A.136, is amended to read:

297A.136 [TAX ON 900 PAY-PER-CALL SERVICES.]

Subdivision 1. [TAX IMPOSED.] A tax of \$.50 is imposed for each call placed to a 900 service if the call for that service originates from and is charged to a telephone located in this state.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions will apply:

(a) "900 service" means pay-per-call 900 information services provided through a telephone exchange, commonly accessed by dialing 1-900, 1-960, 1-976, or other similar prefix in which the calling party receives information from the 900 information provider, and the calling party is charged on a per call or per time basis for the information. The term does not include services provided through 1-800 service telephone numbers, information provided free of charge, or directory assistance service.

(b) "Calling party" means the person originating the call to the information provider.

(c) "900 information provider" means the person being called by the calling party, and who provides information services to the calling party on a per call or per time basis.

(d) "Person" shall have the same meaning as provided in section 297A.01, subdivision 2.

Subd. 3. [PAYMENT; ADMINISTRATION.] Liability for the tax imposed by this section is on the person making the call calling party. Liability for collection from the calling party is on the person providing access to a dial tone contracting with the 900 information provider to interconnect the information provider and the calling party, if such person bills the calling party. In all other instances, the person billing the calling party shall be liable for collecting the tax from the calling party. The tax imposed in this section must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to assess and collect the tax that are given the commissioner in chapters 270 and 289A and this chapter to assess and collect sales and use tax.

Subd. 4. [EXEMPTION.] Pay-per-call information services provided through a 1-976 prefix are exempt from the tax imposed under this section if the charge for the call is less than \$1.

Sec. 30. Minnesota Statutes 1992, section 297A.14, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] For the privilege of using, storing, *distributing*, or consuming in Minnesota tangible personal property or taxable services purchased for use, storage, *distribution*, or consumption in this state, a use tax is imposed on every person in this state at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the items, unless the tax imposed by section 297A.02 was paid on the sales price.

A use tax is imposed on every person who uses, stores, *distributes*, or consumes tangible personal property in Minnesota which has been manufactured, fabricated, or assembled by the person from materials, either within or without this state, at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the materials contained in the tangible personal property, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 31. Minnesota Statutes 1992, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, *fever thermometers*, therapeutic, and prosthetic devices. "Prescribed drugs" or "prescribed medicine" includes over-the-counter drugs or medicine prescribed by a licensed physician. "Therapeutic devices" includes reusable finger pricking devices for the extraction of blood ~~and~~, blood glucose monitoring machines, *and other diagnostic agents used in the treatment of diagnosing, monitoring, or treating diabetes*. Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, or a combination thereof are exempt.

Sec. 32. Minnesota Statutes 1992, section 297A.25, subdivision 7, is amended to read:

Subd. 7. [PETROLEUM PRODUCTS.] The gross receipts from the sale of and storage, use or consumption of the following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under the provisions of chapter 296, and no refund has been or will be allowed because the buyer used the fuel for nonhighway use,

(2) products which are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures; ~~or~~

(3) products purchased by a transit system receiving financial assistance under section 174.24 or 473.384; *or*

(4) *products used in a passenger snowmobile, as defined in section 296.01, subdivision 38, for off-highway business use as part of the operations of a resort as provided under section 296.18, subdivision 1, clause (2).*

Sec. 33. Minnesota Statutes 1992, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Minnesota center for arts education, and school districts are exempt.

As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, educational cooperative service units, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, technical colleges, joint vocational technical districts, and any instrumentality of a school district, as defined in section 471.59.

Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii).

Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.

The sales to and exclusively for the use of libraries, as defined in section 134.001, of books, periodicals, audio-visual materials and equipment, photocopiers for use by the public, and all cataloging and circulation equipment, and cataloging and circulation software for library use are exempt under this subdivision. *For purposes of this paragraph "libraries" means libraries as defined in section 134.001, county law libraries under chapter 134A, the state library under section 480.09, and the legislative reference library.*

Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care; ~~motor vehicle parts are not exempt under this provision.~~ *Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.*

Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste collection and disposal services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.

Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a

building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.394, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.

Sales to other states or political subdivisions of other states are exempt if the sale would be exempt from taxation if it occurred in that state.

Sec. 34. Minnesota Statutes 1992, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the property purchased is to be used in the performance of charitable, religious, or educational functions, or any senior citizen group or association of groups that in general limits membership to persons who are either (1) age 55 or older, or (2) physically disabled, and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization. Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, paragraphs (d) and (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii). This exemption shall not apply to building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.

Sec. 35. Minnesota Statutes 1992, section 297A.25, subdivision 34, is amended to read:

Subd. 34. [MOTOR VEHICLES.] The gross receipts from the sale or use of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of Minnesota shall be exempt from taxation under this chapter. Notwithstanding subdivision 11, the exemption provided under this subdivision remains in effect for motor vehicles purchased or leased by political subdivisions of the state if the vehicles are not subject to taxation under chapter 297B.

Sec. 36. Minnesota Statutes 1992, section 297A.25, subdivision 41, is amended to read:

Subd. 41. [BULLET-PROOF VESTS.] The gross receipts from the sale of bullet-resistant soft body armor that is flexible, concealable, and custom-fitted to provide the wearer with ballistic and trauma protection are exempt if purchased by a law enforcement agency of the state or a political subdivision of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1. The bullet-resistant soft body armor must meet or exceed the requirements of standard 0101.01 of the National Institute of Law Enforcement and Criminal Justice in effect on December 30, 1986, or meet or exceed the requirements of the standard except wet armor conditioning.

Sec. 37. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 52. [PARTS AND ACCESSORIES USED TO MAKE A MOTOR VEHICLE HANDICAPPED ACCESSIBLE.] *The gross receipts from the sale of parts and accessories that are used solely to modify a motor vehicle to make it handicapped accessible are exempt. Labor charges for modifying a motor vehicle to make it handicapped accessible are included in this exemption.*

Sec. 38. [297A.253] [SATELLITE BROADCASTING FACILITY MATERIALS; EXEMPTIONS.]

Notwithstanding the provisions of this chapter, there shall be exempt from the tax imposed therein all materials and supplies or equipment used or consumed in constructing, or incorporated into the construction of, a new facility in Minnesota for providing federal communications commission licensed direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band or fixed satellite regional or national program services, as defined in section 272.02, subdivision 1, clause (15), construction of which was commenced after June 30, 1993, and all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all technical equipment or tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services.

Sec. 39. [297A.2545] [STEEL REPROCESSOR; EXEMPTION FOR POLLUTION CONTROL EQUIPMENT.]

Notwithstanding the provisions of this chapter, the purchase of pollution control equipment by a steel reprocessing firm is exempt from the sales and use tax provided that the equipment is necessary to meet state or federal emission standards. For purposes of this section "pollution control equipment" means any equipment used for the purpose of eliminating, preventing, or reducing air, land, or water pollution during or as a result of the manufacturing process. "Steel reprocessing firm" means a firm whose primary business is the recovery of steel from automobiles, appliances, and other steel products and the rerefining of this recovered metal into new steel products.

Sec. 40. Minnesota Statutes 1992, section 298.75, subdivision 4, is amended to read:

Subd. 4. ~~If any~~ the county auditor has not received the report by the 15th day after the last day of each calendar quarter from the operator or importer ~~fails to make the report as required by subdivision 3 or files~~ has received an

erroneous report, the county auditor shall ~~determine~~ *estimate* the amount of tax due and notify the operator or importer by registered mail of the amount of tax so ~~determined~~ *estimated within the next 14 days*. An operator or importer may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Sec. 41. Minnesota Statutes 1992, section 298.75, subdivision 5, is amended to read:

Subd. 5. Failure to file the report *and submit payment* shall result in a penalty of \$5 for each of the first 30 days, beginning on the ~~14th~~ *15th* day after the date when the county auditor has sent notice to the operator or importer as provided in subdivision 4, ~~during which the report is overdue and no statement of objection has been filed. For each subsequent day during last day of each calendar quarter, for which the report and payment is overdue~~ *due and no statement of objection has been filed as provided in subdivision 4, and a penalty of \$10 for each subsequent day shall be assessed against the operator or importer who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax and credited to the county revenue fund. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator or importer who is required to file the report is guilty of a misdemeanor.*

Sec. 42. [349.2115] [SPORTS BOOKMAKING TAX.]

Subdivision 1. [IMPOSITION OF TAX.] An excise tax of six percent is imposed on the value of all bets received by, recorded by, accepted by, forwarded by, or placed with a person engaged in sports bookmaking.

Subd. 2. [BET DEFINED.] For purposes of this section, the term "bet" has the meaning given it in section 609.75, subdivision 2.

Subd. 3. [SPORTS BOOKMAKING DEFINED.] For purposes of this section, the term "sports bookmaking" has the meaning given it in section 609.75, subdivision 7.

Subd. 4. [AMOUNT OF BET.] In determining the value or amount of any bet for purposes of this section, all charges incident to the placing of the bet must be included.

Subd. 5. [TAX RETURNS.] A person engaged in sports bookmaking shall file monthly tax returns with the commissioner of revenue, in the form required by the commissioner, of all bookmaking activity, and shall include information on all bets recorded, accepted, forwarded, and placed. The returns must be filed on or before the 20th day of the month following the month in which the bets reported were recorded, accepted, forwarded, or placed. The tax imposed by this section is due and payable at the time when the returns are filed.

Subd. 6. [PERSONS LIABLE FOR TAX.] Each person who is engaged in receiving, recording, forwarding, or accepting sports bookmaking bets is liable for and shall pay the tax imposed under this section.

Subd. 7. [JEOPARDY ASSESSMENT; JEOPARDY COLLECTION.] The tax may be assessed by the commissioner of revenue. An assessment made

pursuant to this section shall be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed.

Subd. 8. [DISCLOSURE PROHIBITED.] (a) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a sports bookmaking tax return filed with the commissioner of revenue as required by this section, nor can any information contained in the report or return be used against the tax obligor in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this section, or as provided in section 270.064.

(b) Any person violating this section is guilty of a gross misdemeanor.

(c) This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of tax obligors or the contents of particular returns or reports.

Sec. 43. [NOTIFICATION BY COUNTY AUDITOR.]

The county auditor shall notify each operator in the county who filed a report in the previous calendar year under Minnesota Statutes, section 298.75 of the changes made in sections 40 and 41 relating to the imposition of the penalty for late payment.

Sec. 44. [COOK COUNTY; SALES TAX.]

Subdivision 1. [IMPOSED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or resolution, Cook county may, by resolution, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the county.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized by subdivision 1 shall be used by Cook county to pay the cost of collecting the tax and to pay all or a portion of the costs of expanding and improving the health care facility located in the county and known as North Shore hospital. Authorized costs include, but are not limited to, securing or paying debt service on bonds or other obligations issued to finance the expansion and improvement of North Shore hospital. The total capital expenditures payable from bond proceeds, excluding investment earnings on bond proceeds and tax revenues, shall not exceed \$4,000,000.

Subd. 3. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The authority granted by subdivision 1 to Cook county to impose a sales tax shall expire when the principal and interest on any bonds or obligations issued to finance the expansion and improvement of North Shore hospital have been paid, or at an earlier time as the county shall, by resolution, determine. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the county.

Subd. 4. [BONDS.] Cook county may issue general obligation bonds in an amount not to exceed \$4,000,000 for the expansion and improvement of North Shore hospital, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a property tax to pay them. The debt represented by bonds issued for the expansion and improvement of North Shore hospital shall not be included in computing any debt limitations applicable to Cook county, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the county.

Subd. 5. [REFERENDUM.] If the governing body of Cook county intends to impose the sales tax authorized by this section, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a special or general election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1993.

Subd. 6. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAX.] A sales tax imposed under this section shall be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to Cook county. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. By July 1, 1993, the commissioner of revenue shall provide to the governing body of the county an estimate of these costs.

Subd. 7. [EFFECTIVE DATE.] This section is effective the day after compliance by the governing body of Cook county with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 45. [CITY OF ST. PAUL; SALES TAX AUTHORIZED.]

Subdivision 1. [TAX MAY BE IMPOSED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of St. Paul may, by resolution, impose an additional sales tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [USE OF REVENUES.] Revenues received from the tax authorized by subdivision 1 may only be used by the city to pay the cost of collecting the tax, and to pay for the following projects or to secure or pay any principal, premium, or interest on bonds issued in accordance with subdivision 3 for the following projects.

(a) To pay all or a portion of the capital expenses of construction, equipment and acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex.

(b) The remainder of the funds must be spent for capital projects to further residential, cultural, commercial, and economic development in both downtown St. Paul and St. Paul neighborhoods.

By January 15 of each odd-numbered year, the mayor and the city council must report to the legislature on the use of sales tax revenues during the preceding two-year period.

Subd. 3. [BONDS.] The city may issue general obligation bonds of the city to finance all or a portion of the cost for projects authorized in subdivision 2, paragraph (a). The debt represented by the bonds shall not be included in computing any debt limitations applicable to the city. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The bonds may be issued in one or more series and sold without election on the question of issuance of the bonds or a property tax to pay them. Except as otherwise provided in this section, the bonds must be issued, sold, and secured in the manner provided in Minnesota Statutes, chapter 475. The aggregate principal amount of bonds issued under this subdivision may not exceed \$65 million.

Subd. 4. [ENFORCEMENT; COLLECTION.] A sales tax imposed under subdivision 1 may be reported and paid to the commissioner of revenue with the state sales tax, and be subject to the same penalties, interest, and enforcement provisions imposed under Minnesota Statutes, chapters 289A and 297A. If the commissioner of revenue enters into appropriate agreements with the city to provide for collection of these taxes by the state on behalf of the city, the commissioner shall charge the city a reasonable fee for its collection from the proceeds of any taxes to ensure that no state funds are expended for the collection of these taxes. The proceeds of the tax, less the cost of collection, shall be remitted monthly to the city and the city shall deposit such sums into a dedicated fund. By July 1, 1993, the commissioner of revenue shall provide the city an estimate of the cost of collection.

Subd. 5. [EXPIRATION OF TAXING AUTHORITY.] The authority granted by subdivision 1 to the city to impose a sales tax shall expire when the principal and interest on any bonds or other obligations issued to finance projects authorized in subdivision 2, paragraph (a) have been paid or at an earlier time as the city shall, by ordinance, determine. Any funds remaining after completion of projects approved under subdivision 2, paragraph (a) and retirement or redemption of any bonds or other obligations may be placed in the general fund of the city.

Subd. 6. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day following final enactment, and after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3, with respect to that section. If the St. Paul city council intends to exercise the authority provided by this section, it shall pass a resolution stating the fact before July 1, 1993.

Sec. 46. [CITY OF GARRISON; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Garrison may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized under subdivision 1 must be dedicated by the city to pay the cost of collecting the tax and to pay all or part of the expenses of the construction of a sewer

system in the city, including payment of principal and interest on loans received by the city to construct the sewer system.

Subd. 3. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] (a) The city may provide for collection and enforcement of the tax by ordinance or the city may enter into an agreement with the commissioner of revenue, providing for collection of the tax.

(b) If the city enters an agreement with the commissioner of revenue for collection of the tax, the sales tax imposed under this section must be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY.] The authority granted by this section to the city of Garrison to impose a sales tax expires when the principal and interest on any bonds or obligations issued to finance the construction of the sewer system have been paid, or at an earlier time as the city shall, by resolution, determine. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Subd. 5. [REFERENDUM.] The city may impose the tax under this section only after approval by the voters in a referendum held at a special or general election in the city.

Subd. 6. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Garrison.

Sec. 47. [CHARITABLE GOLF TOURNAMENTS.]

The gross receipts from the sale or use of tickets or admissions to a golf tournament held in Minnesota are exempt if the beneficiary of the tournament's net proceeds qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

Sec. 48. [ADVISORY COUNCIL; SALES TAX ON CAPITAL EQUIPMENT.]

Subdivision 1. [CREATION; MEMBERSHIP.] (a) A state advisory council is established to study the sales tax exemption for capital equipment under Minnesota Statutes 1992, sections 297A.01, subdivision 16, and 297A.25, subdivision 42, and to make recommendations to the 1994 legislature. The study shall be completed and findings reported to the legislature by February 1, 1994.

(b) The advisory council consists of 15 members who serve at the pleasure of the appointing authority as follows:

(1) six legislators; three members of the senate, including one member of the minority party, appointed by the subcommittee on committees of the committee on rules and administration and three members of the house of representatives, including one member of the minority party, appointed by the speaker;

(2) the commissioner of revenue or the commissioner's designee; and

(3) eight members of the public: two appointed by the subcommittee on committees of the committee on rules and administration of the senate, two appointed by the speaker of the house, and four appointed by the governor.

Subd. 2. [SCOPE OF THE STUDY.] (a) In preparing the study, the advisory council shall examine, at least, the following:

(1) an overview of the purpose, intent, and application of the provisions of the present exemption, including the department of revenue's experience in interpreting and administering the provisions and the impact of the exemption on state tax collections;

(2) appropriate tax policy goals for the exemption of capital equipment from the sales tax;

(3) the effect of the exemption in encouraging new investment, increases in economic activity, and creation of new jobs in Minnesota or other appropriate economic development goals;

(4) analyses of alternative versions of the exemption, either expanding or narrowing it and specifically including the expansions contained in the administrative law judge's report, that will further the tax policy and economic development goals developed under clauses (2) and (3). In analyzing alternatives, the advisory council must consider alternatives that expand the exemption and offset the reduction in state and local sales tax revenues by expanding the sales tax base to include final consumption items that are now exempt from taxation.

(b) The advisory council's report to the legislature must include recommendations for modifying the exemption in light of the tax policy and economic development goals. The recommendations must not provide for increasing or decreasing state revenues relative to the revenue department's estimates of the effect of applying the department's interpretations of present law. If the report recommends expanding the exemption, it must include recommendations to expand the tax base to offset the resulting loss of state and local revenues.

Subd. 3. [STAFF.] The department of revenue and legislative staff shall provide administrative and staff assistance when requested by the advisory council.

Subd. 4. [COOPERATION BY OTHER AGENCIES.] The commissioners of the department of trade and economic development, the department of labor and industry, the department of jobs and training, and the pollution control agency shall, upon request by the advisory council, provide data or other information that is collected or possessed by their agencies and that is necessary or useful in conducting the study and preparing the report required by this section.

Sec. 49. [REPEALER.]

Minnesota Statutes 1992, section 115B.24, subdivision 10, is repealed.

Sec. 50. [EFFECTIVE DATE.]

Sections 1 to 12, 21, 30, 31, the part of section 33 exempting certain chore and homemaking services, 43 and 48 are effective the day following final enactment.

Section 13 is effective for taxes due on or after July 1, 1993.

Section 14 is effective for fees due on or after July 1, 1993.

Section 15 is effective for refund claims submitted on or after July 1, 1993.

Sections 16, 25 to 28, 35 to 38, and 42 are effective July 1, 1993.

Section 19 is effective July 1, 1993, for deliveries of diesel fuel manufactured from rerefined waste oil on and after that date.

Sections 22 and 23 are effective the day following final enactment and apply to all open tax years.

Section 24 is effective for claims for refund filed after May 5, 1993, except that the extension of the exemption for capital equipment used to produce an on-line computerized data retrieval system and to replacement equipment used in the production of taconite is effective for sales after June 30, 1993.

Section 29 is effective for sales of 900 information services made after June 30, 1993.

Except as otherwise provided, sections 33 and 34 are effective for sales made after June 30, 1993. The part of section 33 exempting sales of machinery and equipment for solid waste disposal and collection is effective for sales made after May 31, 1992.

Section 39 is effective for pollution equipment installed after June 30, 1993.

Sections 40 and 41 are effective for reports due after July 1, 1993.

Section 47 is effective for sales or uses of tickets or admissions occurring after December 31, 1992, and before July 1, 1993.

ARTICLE 7

COLLECTIONS AND COMPLIANCE

Section 1. Minnesota Statutes 1992, section 60A.15, subdivision 2a, is amended to read:

Subd. 2a. [PROCEDURE FOR FILING AND ADJUSTMENT OF STATEMENTS AND TAXES.] (a) Every insurer required to pay a premium tax in this state shall make and file a statement of estimated premium taxes for the period covered by the installment tax payment. Such the installment tax payment. Such statement shall be in the form prescribed by the commissioner of revenue.

(b) On or before March 1, annually every insurer subject to taxation under this section shall make an annual return for the preceding calendar year setting forth such information as the commissioner of revenue may reasonably require on forms prescribed by the commissioner.

(c) On March 1, the insurer shall pay any additional amount due for the preceding calendar year; if there has been an overpayment, such overpayment may be credited without interest on the estimated tax due April 15.

(d) If unpaid by this date, penalties and interest as provided in section ~~290.53~~ 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, shall be imposed.

Sec. 2. Minnesota Statutes 1992, section 60A.15, subdivision 9a, is amended to read:

Subd. 9a. [FAILURE TO FILE; PENALTIES AND INTEREST.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner of revenue in pursuance of law there shall be added to the tax penalties and interest as provided in section 289A.60, subdivision 2, *as it relates to withholding and sales or use taxes.*

Sec. 3. Minnesota Statutes 1992, section 60A.15, is amended by adding a subdivision to read:

Subd. 9e. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 4. Minnesota Statutes 1992, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations; ~~and~~

(e) annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10); and

(f) *paying penalties imposed under section 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, if the tax due under clause (d) is not timely paid.*

Sec. 5. Minnesota Statutes 1992, section 60A.199, subdivision 4, is amended to read:

Subd. 4. [FAILURE TO FILE; PENALTIES AND INTEREST.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law there

shall be added to the tax penalties ~~and interest~~ as provided in section 289A.60, subdivision 2, *as it relates to withholding and sales or use taxes.*

Sec. 6. Minnesota Statutes 1992, section 60A.199, is amended by adding a subdivision to read:

Subd. 6a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 7. Minnesota Statutes 1992, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) ~~summon~~ subpoena witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents for inspection and copying relating to any tax matter

which the commissioner may have authority to investigate or determine. ~~Provided, that any summons;~~

(8) *issue a subpoena which does not identify the person or persons with respect to whose tax liability the summons subpoena is issued may be served, but only if* (a) the ~~summons subpoena~~ relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the ~~summons subpoena~~ is issued) is not readily available from other sources, (d) the ~~summons subpoena~~ is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a ~~summons subpoena~~ which does not identify the person or persons with respect to whose tax liability the ~~summons subpoena~~ is issued shall have the right, within 20 days after service of the ~~summons subpoena~~, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the ~~summons subpoena~~ is enforceable. If no such petition is made by the party served within the time prescribed, the ~~summons subpoena~~ shall have the force and effect of a court order;

(8) (9) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) (10) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) (11) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) (12) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) (13) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) (14) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) (15) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) (16) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) (17) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to subpoena, examine, and copy books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. *In addition to administrative subpoenas of the commissioner and the agents, upon demand of the commissioner or an agent, the clerk or court administrator of any district court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent for inspection and copying. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter a court administrator's subpoena shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner or an agent, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;*

(17) (18) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) (19) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

(19) (20) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;

(20) (21) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

(21) (22) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law.

Sec. 8. Minnesota Statutes 1992, section 270.70, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the date of assessment of the tax, or if a lien has been filed, during the period the lien is enforceable, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property, including any property in the possession of law enforcement officials, of the person liable for the payment or collection of such tax (except that which is exempt from execution pursuant to section 550.37 and amounts received under United States Code, title 29, chapter 19, as amended through December 31, 1989) or property on which there is a lien provided in section 270.69. For this purpose, the term "tax" shall include any penalty, interest, and costs properly payable. The term "levy" includes the power of distraint and seizure by any means; *provided, no entry can be made upon the business premises or residence of a taxpayer in order to seize property without first obtaining a writ of entry listing the property to be seized and signed by a judge of the district court of the district in which the business premises or residence is located.*

Sec. 9. [270.7001] [CONTINUOUS LEVY.]

Subdivision 1. [AUTHORITY.] *The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270.69, within the statutory period for enforcement of the lien, give notice to a person, officer, or political subdivision or agency of the state to withhold the amount of any tax, interest, or penalties due from a taxpayer, or the amount due from an employer or person who has failed to withhold and transmit amounts due from any payments to the taxpayer, employer, or person. The amounts withheld shall be transmitted to the commissioner at the times the commissioner designates.*

Subd. 2. [LEVY CONTINUOUS.] *The levy made under subdivision 1 is continuous from the date the notice is received until (1) the amount due stated on the notice has been withheld or (2) the notice has been released by the commissioner under section 270.709, whichever occurs first.*

Subd. 3. [AMOUNT TO BE WITHHELD.] *The amount required to be withheld under this section is the least of:*

- (1) the amount stated on the notice;*
- (2) if the taxpayer, employer, or person is not a natural person, 100 percent of the payment;*
- (3) if the taxpayer, employer, or person is an individual, 25 percent of the payment.*

Subd. 4. [PAYMENTS COVERED.] *For purposes of this section, the term payments does not include wages as defined in section 290.92 or funds in a deposit account as defined in section 336.9-105. The term payments does include the following:*

(1) payments due for services of independent contractors, dividends, rents, royalties, residuals, patent rights, and mineral or other natural resource rights;

(2) payments or credits under written or oral contracts for services or sales

whether denominated as wages, salary, commission, bonus, or otherwise, if the payments are not covered by section 290.92, subdivision 23; and

(3) any other periodic payments or credits resulting from an enforceable obligation to the taxpayer, employer, or person.

Subd. 5. [DETERMINATION OF STATUS; EFFECT.] A determination of a person's status as an independent contractor under this section does not affect the determination of the person's status for the purposes of any other law or rule.

Sec. 10. [270.78] [PENALTY FOR FAILURE TO MAKE PAYMENT BY ELECTRONIC FUNDS TRANSFER.]

In addition to other applicable penalties imposed by law, after notification from the commissioner of revenue to the taxpayer that payments for a tax administered by the commissioner are required to be made by means of electronic funds transfer, and the payments are remitted by some other means, there is a penalty in the amount of five percent of each payment that should have been remitted electronically. The penalty can be abated under the abatement procedures prescribed in section 270.07, subdivision 6, if the failure to remit the payment electronically is due to reasonable cause.

Sec. 11. Minnesota Statutes 1992, section 276.02, is amended to read:

276.02 [TREASURER TO BE COLLECTOR.]

The county treasurer shall collect all taxes extended on the tax lists of the county and the fines, forfeitures, or penalties received by any person or officer for the use of the county. The treasurer shall collect the taxes according to law and credit them to the proper funds. This section does not apply to fines and penalties accruing to municipal corporations for the violation of their ordinances that are recoverable before a city justice. The county board may by resolution authorize the treasurer to impose a charge for any dishonored checks.

The county board may, by resolution, authorize the treasurer and/or other designees to accept payments of real property taxes by credit card provided that a fee is charged for its use. The fee charged must be commensurate with the costs assessed by the card issuer. If a credit card transaction under this section is subsequently voided or otherwise reversed, the lien of real property taxes under section 272.31 is revived and attaches in the manner and time provided in that section as though the credit card transaction had never occurred, and the voided or reversed credit card transaction shall not impair the right of a lienholder under section 272.31 to enforce the lien in its favor.

Sec. 12. Minnesota Statutes 1992, section 279.37, subdivision 1a, is amended to read:

Subd. 1a. The delinquent taxes upon a parcel of property which was classified class 4e pursuant to section 273.13, subdivision 9, or for taxes assessed in 1986 and thereafter, classified class 3a, for the previous year's assessment and had a total market value of less than \$100,000 \$200,000 for that same assessment shall be eligible to be composed into a confession of judgment. Property qualifying under this subdivision shall be subject to the same provisions as provided in this section except as herein provided.

(a) The down payment shall include all special assessments due in the current tax year, all delinquent special assessments, and 20 percent of the ad

valorem tax, penalties, and interest accrued against the parcel. The balance remaining shall be payable in four equal annual installments; and

(b) The amounts entered in judgment shall bear interest at the rate provided in section 279.03, subdivision 1a, commencing with the date the judgment is entered. The interest rate is subject to change each year on the unpaid balance in the manner provided in section 279.03, subdivision 1a.

Sec. 13. Minnesota Statutes 1992, section 289A.18, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX RETURNS.] (a) Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period, except that annual use tax returns provided for under section 289A.11, subdivision 1, must be filed by April 15 following the close of the calendar year. ~~In addition, on or before June 20 of a year, a retailer who has a May liability of \$1,500 or more must file a return with the commissioner for one-half of the estimated June liability, in addition to filing a return for the May liability. On or before August 20 of a year, the retailer must file a return showing the actual June liability.~~

(b) Returns filed by retailers required to remit liabilities by means of funds transfer under section 289A.20, subdivision 4, paragraph (d), are due on or before the 25th day of the month following the close of the preceding reporting period. ~~Returns filed under the second sentence of paragraph (a) by a retailer required to remit by means of funds transfer are due on June 25. The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the estimated June liability is due,~~ and on or before August 25 of a year, the retailer must file a return showing the actual June liability.

(c) *If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than \$500 per month in any quarter of a calendar year, and has substantially complied with the tax laws during the preceding four calendar quarters, the retailer may request authorization to file and pay the taxes quarterly in subsequent calendar quarters. The authorization remains in effect during the period in which the retailer's quarterly returns reflect sales and use tax liabilities of less than \$1,500 and there is continued compliance with state tax laws.*

(d) *If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than \$100 per month during a calendar year, and has substantially complied with the tax laws during that period, the retailer may request authorization to file and pay the taxes annually in subsequent years. The authorization remains in effect during the period in which the retailer's annual returns reflect sales and use tax liabilities of less than \$1,200 and there is continued compliance with state tax laws.*

(e) *The commissioner may also grant quarterly or annual filing and payment authorizations to retailers if the commissioner concludes that the retailers' future tax liabilities will be less than the monthly totals identified in paragraphs (c) and (d). An authorization granted under this paragraph is subject to the same conditions as an authorization granted under paragraphs (c) and (d).*

Sec. 14. Minnesota Statutes 1992, section 289A.20, subdivision 2, is amended to read:

Subd. 2. [WITHHOLDING FROM WAGES, ENTERTAINER WITHHOLDING, WITHHOLDING FROM PAYMENTS TO OUT-OF-STATE CONTRACTORS, AND WITHHOLDING BY PARTNERSHIPS AND SMALL BUSINESS CORPORATIONS.] (a) A tax required to be deducted and withheld during the quarterly period must be paid on or before the last day of the month following the close of the quarterly period, unless an earlier time for payment is provided. A tax required to be deducted and withheld from compensation of an entertainer and from a payment to an out-of-state contractor must be paid on or before the date the return for such tax must be filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld by partnerships and S corporations must be paid on or before the date the return must be filed under section 289A.18, subdivision 2.

(b)(1) Unless clause (2) applies, if during any calendar month, other than the last month of the calendar quarter, the aggregate amount of the tax withheld during that quarter under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, exceeds \$500, the employer shall deposit the aggregate amount with the commissioner within 15 days after the close of the calendar month.

(2) If at the close of any eighth-monthly period the aggregate amount of undeposited taxes is \$3,000 or more, the employer, or person withholding tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, shall deposit the undeposited taxes with the commissioner within three banking days after the close of the eighth-monthly period. For purposes of this clause, the term "eighth-monthly period" means the first three days of a calendar month, the fourth day through the seventh day of a calendar month, the eighth day through the 11th day of a calendar month, the 12th day through the 15th day of a calendar month, the 16th day through the 19th day of a calendar month, the 20th day through the 22nd day of a calendar month, the 23rd day through the 25th day of a calendar month, or the part of a calendar month following the 25th day of the month.

(c) The commissioner may prescribe by rule other return periods or deposit requirements. In prescribing the reporting period, the commissioner may classify payors according to the amount of their tax liability and may adopt an appropriate reporting period for the class that the commissioner judges to be consistent with efficient tax collection. In no event will the duration of the reporting period be more than one year.

(d) If less than the correct amount of tax is paid to the commissioner, proper adjustments with respect to both the tax and the amount to be deducted must be made, without interest, in the manner and at the times the commissioner prescribes. If the underpayment cannot be adjusted, the amount of the underpayment will be assessed and collected in the manner and at the times the commissioner prescribes.

(e) If the aggregate amount of the tax withheld during a fiscal year ending June 30 under section 290.92, subdivision 2a or 3, is equal to or exceeds ~~\$240,000~~ \$120,000, the employer must remit each required deposit in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the deposit is due. If the date the deposit is due is not a funds transfer business day, as defined in

section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the deposit is due.

Sec. 15. Minnesota Statutes 1992, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes, except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of ~~\$1,500~~ *\$120,000* or more ~~in May of~~ *during a fiscal year ending June 30* must remit the June liability for the next year in the following manner:

(1) ~~On or Two business days before June 20 30~~ of the year, the vendor must remit ~~the actual May liability and one-half~~ *75 percent* of the estimated June liability to the commissioner.

(2) On or before August ~~20 14~~ of the year, the vendor must pay any additional amount of tax not remitted in June.

~~(3) If the vendor is required to remit by means of funds transfer as provided in paragraph (d), the vendor may remit the May liability as provided for in paragraph (e), but must remit one-half of the estimated June liability on or before June 14. The remaining amount of the June liability is due on August 14.~~

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches \$10.

(d) A vendor having a liability of ~~\$240,000~~ *\$120,000* or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before ~~the date the tax is due~~ the 14th day of the month following the month in which the taxable event occurred, except for ~~the one-half~~ *75 percent* of the estimated June liability, which is due ~~with the May liability on two business days before June 14 30~~. The remaining amount of the June liability is due on August 14. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

(e) If the vendor required to remit by electronic funds transfer as provided in paragraph (d) is unable due to reasonable cause to determine the actual sales and use tax due on or before the due date for payment, the vendor may remit an estimate of the tax owed using one of the following options:

(1) 100 percent of the tax reported on the previous month's sales and use tax return;

(2) 100 percent of the tax reported on the sales and use tax return for the same month in the previous calendar year; or

(3) 95 percent of the actual tax due.

Any additional amount of tax that is not remitted on or before the due date for payment, must be remitted with the return. A vendor must notify the commissioner of the option that will be used to estimate the tax due, and must obtain approval from the commissioner to switch to another option. If a vendor fails to remit the actual liability or does not remit using one of the estimate options by the due date for payment, the vendor must remit actual liability as provided in paragraph (d) in all subsequent periods. This paragraph does not apply to the June sales and use liability.

Sec. 16. Minnesota Statutes 1992, section 289A.36, subdivision 3, is amended to read:

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of state tax law, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data for *inspection and copying*;

(2) examine under oath or affirmation any person regarding the business of any taxpayer concerning any relevant matter incident to the administration of state tax law. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies that may be available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action and disobedience of an injunction issued under this clause will be punished as a contempt of district court.

Sec. 17. Minnesota Statutes 1992, section 289A.36, subdivision 7, is amended to read:

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] ~~The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for an order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. If the subpoenaed party fails to comply with the order of the court, the party may be punished by the court as for contempt. Disobedience of subpoenas issued under this section shall be punished by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court.~~

Sec. 18. Minnesota Statutes 1992, section 289A.40, is amended by adding a subdivision to read:

Subd. 1a. [INDIVIDUAL INCOME TAXES; REASONABLE CAUSE.] *If the taxpayer establishes reasonable cause for failing to timely file the return required by section 289A.08, subdivision 1, files the required return within ten years of the date specified in section 289A.18, subdivision 1, and independently verifies that an overpayment has been made, the commissioner shall grant a refund claimed by the original return, notwithstanding the limitations of subdivision 1.*

Sec. 19. Minnesota Statutes 1992, section 289A.60, subdivision 1, is amended to read:

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax *other than a withholding or sales or use tax* is not paid or amounts required to be withheld are not remitted within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is three percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

If a withholding or sales or use tax is not paid within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is five percent of the tax not paid on or before the date specified for payment of the tax if the failure is for not more than 30 days, with an additional penalty of five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 15 percent in the aggregate.

Sec. 20. Minnesota Statutes 1992, section 289A.60, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return other than an income tax return of an individual, a withholding return, or sales or use tax return, within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax including any extensions if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return, other than an income tax return of an individual, within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must not be less than the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

If a taxpayer fails to file an individual income tax return within six months after the date prescribed for filing of the return, a penalty of ten percent of the amount of tax not paid by the end of that six-month period is added to the tax.

If a taxpayer fails to file a withholding or sales or use tax return within the time prescribed, including an extension, a penalty of five percent of the amount of tax not timely paid is added to the tax.

Sec. 21. Minnesota Statutes 1992, section 289A.60, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file withholding or sales or use tax returns or timely pay withholding or sales or use taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not*

timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 22. Minnesota Statutes 1992, section 289A.60, subdivision 15, is amended to read:

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and ~~one-half~~ 75 percent payment by a certain date, and the vendor fails to remit the balance due by the date required, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of: (1) 45 70 percent of the actual June liability, (2) 50 75 percent of the preceding May's liability, or (3) 50 75 percent of the average monthly liability for the previous calendar year.

Sec. 23. Minnesota Statutes 1992, section 289A.60, is amended by adding a subdivision to read:

Subd. 21. [PENALTY FOR FAILURE TO MAKE PAYMENT BY ELECTRONIC FUNDS TRANSFER.] *In addition to other applicable penalties imposed by this section, after notification from the commissioner to the taxpayer that payments are required to be made by means of electronic funds transfer under section 289A.20, subdivision 2, paragraph (e), or 4, paragraph (d), or 289A.26, subdivision 2a, and the payments are remitted by some other means, there is a penalty in the amount of five percent of each payment that should have been remitted electronically. The penalty can be abated under the abatement procedures prescribed in section 270.07, subdivision 6, if the failure to remit the payment electronically is due to reasonable cause.*

Sec. 24. Minnesota Statutes 1992, section 294.03, subdivision 1, is amended to read:

Subdivision 1. If any company, joint stock association, copartnership, corporation, or individual required by law to pay taxes to the state on a gross earnings basis shall fail to pay such tax or gross earnings percentage within the time specified by law for the payment thereof, or within 30 days after final determination of an appeal to the Minnesota tax court relating thereto, there shall be added a specific penalty equal to ~~ten~~ five percent of the amount so remaining unpaid *if the failure is for not more than 30 days, with an additional penalty of five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 15 percent in the aggregate.* Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid.

Sec. 25. Minnesota Statutes 1992, section 294.03, subdivision 2, is amended to read:

Subd. 2. In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, ~~unless it is shown that such failure is not due to willful neglect, there shall be added to the tax in lieu of the ten percent specific penalty provided in subdivision 4: ten percent if the failure is for not more~~

than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate a penalty of five percent of the amount of tax not timely paid. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For purposes of this subdivision, the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 26. Minnesota Statutes 1992, section 294.03, is amended by adding a subdivision to read:

Subd. 4. If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 27. Minnesota Statutes 1992, section 296.14, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, every person who is required to pay gasoline tax or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products and gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as

herein required if postmarked on or before the 23rd day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

If the aggregate remittances made during a fiscal year ending June 30 equal or exceed ~~\$240,000~~ \$120,000, all remittances in the subsequent calendar year must be made by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the remittance is due. If the date the remittance is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the remittance is due.

Sec. 28. Minnesota Statutes 1992, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX STAMPING MACHINES.] (a) The commissioner shall require any person licensed as a distributor to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor. A distributor having a liability of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all liabilities purchased on a credit basis in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

(b) If the commissioner finds that a stamping machine is not affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(c) The commissioner shall annually establish the maximum amount of heat applied stamps that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps purchased during the reporting period.

Sec. 29. Minnesota Statutes 1992, section 297.07, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY RETURN FILED WITH COMMISSIONER.] On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity of cigarettes manufactured or brought in from without the state or purchased during the preceding calendar month and the quantity of cigarettes sold or otherwise disposed of in this state and outside this state

during that month. Every licensed distributor outside this state shall in like manner file a return showing the quantity of cigarettes shipped or transported into this state during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. The return shall be accompanied by a remittance for the full unpaid tax liability shown by it. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

Sec. 30. Minnesota Statutes 1992, section 297.07, subdivision 4, is amended to read:

Subd. 4. [ACCELERATED TAX PAYMENT.] Every distributor having a liability of ~~\$1,500~~ \$120,000 or more in May 1987 or in May of each subsequent ~~during a fiscal year ending June 30,~~ shall remit the June liability for the next year in the following manner ~~required by this section:~~

~~On or (a) Two business days before June 18, 1987, or June 18 30 of each subsequent~~ the year, the distributor shall remit the actual May liability and ~~one-half~~ 75 percent of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) On or before July 18, 1987, or July August 18 of each subsequent the year, the distributor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) 45 70 percent of the actual June liability, or (b) 50 75 percent of the preceding May's liability.

Sec. 31. Minnesota Statutes 1992, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less 1.5 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

A distributor having a liability of ~~\$240,000~~ \$120,000 or more during a calendar year must remit all liabilities in the subsequent fiscal year ending June 30 by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105,

paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 32. Minnesota Statutes 1992, section 297.35, subdivision 5, is amended to read:

Subd. 5. Every distributor having a liability of ~~\$1,500~~ \$120,000 or more in ~~May 1987 or in May of each subsequent~~ during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner required by this section:

~~On or (a) Two business days before June 18, 1987, or June 18 30 of each subsequent~~ the year, the distributor shall remit the actual May liability and ~~one-half~~ 75 percent of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) On or before ~~July 18, 1987, or July August~~ 18 of each subsequent the year, the distributor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of ~~(a) (1)~~ 45 70 percent of the actual June liability, or ~~(b) (2)~~ 50 75 percent of the preceding May's liability.

Sec. 33. Minnesota Statutes 1992, section 297.43, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it, there shall be added to the tax a penalty equal to ~~three five~~ percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of ~~three five~~ percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof, not exceeding ~~24 15~~ percent in the aggregate.

Sec. 34. Minnesota Statutes 1992, section 297.43, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a person fails to make and file a return within the time required under sections 297.07, 297.23, and 297.35, there shall be added to the tax ~~three five~~ percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid for each additional 30 days or fraction thereof during which such failure continues, not exceeding 23 percent in the aggregate. The amount so added to any tax under this subdivision and subdivision 1 shall be collected at the same time and in the same manner and as a part of the tax and shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid, unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

In the case of a failure to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required

to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax; or (b) \$50.

Sec. 35. Minnesota Statutes 1992, section 297.43, is amended by adding a subdivision to read:

Subd. 4a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Sec. 36. Minnesota Statutes 1992, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; FAILURE TO PAY.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

A person liable for an excise tax of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 37. Minnesota Statutes 1992, section 297C.04, is amended to read:

297C.04 [PAYMENT OF TAX; MALT LIQUOR.]

The commissioner may by rule provide a reporting method for paying and collecting the excise tax on fermented malt beverages. The tax is imposed upon the first sale or importation made in this state by a licensed brewer or importer. The rules must require reports to be filed with and the excise tax to be paid to the commissioner on or before the 18th day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. The rules must also require payments in June of 1987 and subsequent years according to the provisions of section 297C.05, subdivision 2.

A distributor who has title to or possession of fermented malt beverages upon which the excise tax has not been paid and who knows that the tax has not been paid, shall file a return with the commissioner on or before the 18th day of the month following the month in which the distributor obtains title or possession of the fermented malt beverages. The return must be made on a form furnished and prescribed by the commissioner, and must contain all information that the commissioner requires. The return must be accompanied by a remittance for the full unpaid liability shown on it. *The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.*

A licensed brewer, importer, or distributor having an excise tax liability of ~~\$240,000~~ *\$120,000* or more during a fiscal year ending June 30 must remit all excise tax liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the excise tax is due. If the date the excise tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the excise tax is due.

Sec. 38. Minnesota Statutes 1992, section 297C.05, subdivision 2, is amended to read:

Subd. 2. [ACCELERATED TAX PAYMENT.] Every person liable for tax under this chapter having a liability of ~~\$1,500~~ *\$120,000* or more ~~in May 1987 or in May of each subsequent~~ *during a fiscal year ending June 30*, shall remit the June liability *for the next year* in the following manner ~~required by this section.~~:

~~On or~~ *(a) Two business days before June 18, 1987, or June 18 30 of each subsequent* the year, the taxpayer shall remit the actual May liability and ~~one-half~~ *75 percent* of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

(b) On or before August 18, 1987, or August 18 of each subsequent the year, the taxpayer shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is hereby imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of ~~(a) (1) 45~~ *70* percent of the actual June liability, or ~~(b) (2) 50~~ *75* percent of the preceding May's liability.

Sec. 39. Minnesota Statutes 1992, section 297C.14, subdivision 1, is amended to read:

Subdivision 1. [PENALTY ON UNPAID TAX.] If a tax imposed by this chapter, or any part of it, is not paid within the time required for the payment, or an extension of time, or within 30 days after final determination of an appeal to the tax court relating to it, there shall be added to the tax a penalty equal to ~~three five~~ percent of the amount remaining unpaid if the failure is for not more than 30 days, with an additional penalty of ~~three five~~ percent of the amount of tax unpaid during each additional 30 days or fraction thereof, not exceeding ~~24 15~~ percent in the aggregate.

Sec. 40. Minnesota Statutes 1992, section 297C.14, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a person fails to make and file a return within the time required by this chapter or an extension of time, there shall be added to the tax ~~three five~~ percent of the amount of tax not paid on or before the date prescribed for payment of the tax ~~if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid for each additional 30 days or fraction thereof during which such failure continues, not exceeding 23 percent in the aggregate.~~ The amount so added to any tax under subdivisions 1 and 2 shall be collected at the same time and in the same manner and as a part of the tax and shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid, unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

In the case of a failure to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax; or (b) \$50.

Sec. 41. Minnesota Statutes 1992, section 297C.14, is amended by adding a subdivision to read:

Subd. 9. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 42. Minnesota Statutes 1992, section 298.27, is amended to read:

298.27 [COLLECTION AND PAYMENT OF TAX.]

The taxes provided by section 298.24 shall be paid directly to each eligible county and the iron range resources and rehabilitation board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 8 15. Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner. The report shall be filed on or before February 1. A remittance equal to ~~90~~ 100 percent of the total tax required to be paid hereunder shall be paid on or before February 15 24. On or before February 25, the county auditor shall make distribution of the payment received by the county in the manner provided by section 298.28. ~~The balance due shall be paid on or before April 15 following the production year, and shall be distributed by the county auditor as provided in section 298.28 by May 15.~~ Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such information as may be reasonably necessary or convenient

for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a ~~partial~~ tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the ~~partial~~ tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

~~If any portion of the taxes provided for in section 298.24 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.~~

A person having a liability of \$120,000 or more during a calendar year must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336A.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 43. Minnesota Statutes 1992, section 299F.21, subdivision 2, is amended to read:

Subd. 2. [ANNUAL RETURNS.] (a) Every insurer required to pay a tax under this section shall make and file a statement of estimated taxes for the period covered by the installment tax payment. The statement shall be in the form prescribed by the commissioner of revenue.

(b) On or before March 1, annually every insurer subject to taxation under this section shall make an annual return for the preceding calendar year setting forth information the commissioner of revenue may reasonably require on forms prescribed by the commissioner.

(c) On March 1, the insurer shall pay any additional amount due for the preceding calendar year; if there has been an overpayment, the overpayment may be credited without interest on the estimated tax due April 15.

(d) If unpaid by this date, penalties ~~and interest~~ as provided in section 289A.60, subdivision 1, as related to withholding and sales or use taxes, shall be imposed.

Sec. 44. Minnesota Statutes 1992, section 299F.23, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO FILE; PENALTIES AND INTEREST.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner of revenue in pursuance of law there shall be added to the tax penalties and interest as provided in section 289A.60, subdivision 2, *as related to withholding and sales or use taxes.*

Sec. 45. Minnesota Statutes 1992, section 299F.23, is amended by adding a subdivision to read:

Subd. 5. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 46. Minnesota Statutes 1992, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

- (1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;
- (2) sales to distributors licensed under this chapter;
- (3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and
- (4) sales of promotional tickets as defined in section 349.12.

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.166, subdivision 2, paragraph (a), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or

tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

(d) A distributor having a liability of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 47. Minnesota Statutes 1992, section 349.217, subdivision 1, is amended to read:

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is ~~three~~ five percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of ~~three~~ percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 1/5 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision the time specified for payment is the final date a return should have been filed.

Sec. 48. Minnesota Statutes 1992, section 349.217, subdivision 2, is amended to read:

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is ~~three~~ five percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Sec. 49. Minnesota Statutes 1992, section 349.217, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] *If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.*

Sec. 50. Minnesota Statutes 1992, section 473.843, subdivision 3, is amended to read:

Subd. 3. [PAYMENT OF FEE.] On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner of revenue.

An operator having a fee of ~~\$240,000~~ \$120,000 or more during a fiscal year ending June 30 must pay all fees in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the fee is due. If the date the fee is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the fee is due.

Sec. 51. [PENALTY FOR REPEATED NON-FILING; RULEMAKING REQUIRED.]

Before imposing a penalty under section 3, 6, 21, 26, 35, 41, 45, or 49, the commissioner of revenue shall promulgate rules under Minnesota Statutes, chapter 14, that prescribe what constitutes "repeated failures to timely file returns or timely pay taxes" for purposes of the penalty under each section and any other matters the commissioner determines appropriate.

Sec. 52. [EFFECTIVE DATE.]

Sections 1 to 6, 19 to 21, 24 to 26, 33 to 35, 39 to 41, 43 to 45, and 47 to 49 are effective for taxes and returns due on or after January 1, 1994.

For purposes of imposing the penalties under sections 3, 6, 21, 26, 35, 41, 45, and 49, violations for late filing of returns or late payment of taxes can occur before or after January 1, 1994, but no penalty may be imposed under those sections until final rules promulgated under the administrative procedures act satisfying requirements of section 51 take effect.

Sections 7, 8, 11, 16, and 17 are effective the day following final enactment.

Section 9 is effective July 1, 1993.

Sections 10 and 23 are effective for taxes due on or after October 1, 1993.

Section 12 is effective for confessions of judgment entered into after June 30, 1993.

Sections 13 to 15, 22, 27 to 32, 36 to 38, 42, 46, and 50 are effective for payments due in the calendar year 1994, and thereafter, based upon payments made in the fiscal year ending June 30, 1993, and thereafter; provided that section 13, as it relates to quarterly and annual sales and use tax returns, is effective for returns due for calendar quarters beginning with the first quarter of 1994, and for calendar years beginning with 1994.

Section 18 is effective for returns due for taxable years beginning after December 31, 1982.

ARTICLE 8

ASSESSORS ADMINISTRATIVE

Section 1. Minnesota Statutes 1992, section 270.41, is amended to read:

270.41 [BOARD OF ASSESSORS.]

(a) A board of assessors is hereby created. The board shall be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving courses in assessment practices, and establishing criteria for determining assessor's qualifications. The board shall also have authority and responsibility to consider other matters relating to assessment administration brought before it by the commissioner of revenue. The board may grant, renew, suspend, or revoke an assessor's license. The board shall consist of nine members, who shall be appointed by the commissioner of revenue, in the manner provided herein.

1. Two from the department of revenue,
2. Two county assessors,
3. Two assessors who are not county assessors, one of whom shall be a township assessor, and
4. One from the private appraisal field holding a professional appraisal designation,
5. Two public members as defined by section 214.02.

The appointment provided in 2 and 3 may be made from two lists of not less than three names each, one submitted to the commissioner of revenue by the Minnesota association of assessing officers or its successor organization containing recommendations for the appointment of appointees described in 2, and one by the Minnesota association of assessors, inc. or its successor organization containing recommendations for the appointees described in 3. The lists must be submitted 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the commissioner by the respective organization immediately. A member of the board who shall no longer be engaged in the capacity listed above shall automatically be disqualified from membership in the board.

The board shall annually elect a chair and a secretary of the board.

(b) The board may refuse to grant or renew, or may suspend or revoke, a license of an applicant or licensee for any of the following causes or acts:

- (1) failure to complete required training;
- (2) inefficiency or neglect of duty;
- (3) "unprofessional conduct" which means knowingly neglecting to perform a duty required by law, or violation of the laws of this state relating to the assessment of property or unlawfully exempting property or knowingly and intentionally listing property on the tax list at substantially less than its market value or the level required by law in order to gain favor or benefit, or knowingly and intentionally misclassifying property in order to gain favor or benefit; or
- (4) conviction of a crime involving moral turpitude; or
- (5) any other cause or act that in the board's opinion warrants a refusal to issue or suspension or revocation of a license.

(c) The board of assessors may adopt rules under chapter 14, defining or interpreting grounds for refusing to grant or renew, and for suspending or revoking a license under this section. An action of the board of assessors in

refusing to grant or renew a license or in suspending or revoking a license is subject to review in accordance with chapter 14.

(d) Any assessor, deputy assessor, assistant assessor, appraiser or other person employed by an assessment jurisdiction, or contracting with an assessment jurisdiction, for the purpose of valuing or classifying property for property tax purposes shall be prohibited from making appraisals, analyses, accepting an appraisal assignment or preparing an appraisal report as defined in Minnesota Statutes, section 82B.02, subdivisions 2, 3, 4 and 5, on any property within the assessment jurisdiction where the individual is employed or performing the duties of the assessor under contract. Violations of this prohibition shall result in immediate revocation of the individual's license to assess property for property tax purposes. This prohibition shall not be construed so as to prohibit an individual from carrying out any duties required for the proper assessment of property for property tax purposes.

Sec. 2. Minnesota Statutes 1992, section 270B.12, is amended by adding a subdivision to read:

Subd. 9. [COUNTY ASSESSORS.] If, as a result of an audit, the commissioner determines that a person is a Minnesota nonresident or part-year resident for income tax purposes, the commissioner may disclose the person's name, address, and social security number to the assessor of any political subdivision in the state, when there is reason to believe that the person may have claimed or received homestead property tax benefits for a corresponding assessment year in regard to property apparently located in the assessor's jurisdiction.

Sec. 3. Minnesota Statutes 1992, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners and shall be a resident of this state. The assessor shall be selected and appointed because of knowledge and training in the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior accreditation from the state board of assessors by January 1, 1992, or within two years of the assessor's first appointment under this section, whichever is later.

Sec. 4. Minnesota Statutes 1992, section 273.11, subdivision 13, is amended to read:

Subd. 13. [VALUATION OF INCOME-PRODUCING PROPERTY.] Beginning with the 1995 assessment, only accredited assessors or senior accredited assessors or other licensed assessors who have successfully completed at least two income-producing property appraisal courses may value income-producing property for ad valorem tax purposes. "Income-producing property" as used in this subdivision means the taxable property in class 3a and 3b in section 273.13, subdivision 24; class 4a and 4c, except for seasonal recreational property not used for commercial purposes, and class 4d in section 273.13, subdivision 25; and class 5 in section 273.13, subdivision 31. "Income-producing property appraisal course" as used in this subdivi-

sion means a course of study of approximately 30 instructional hours, with a final comprehensive test. An assessor must successfully complete the final examination for each of the two required courses. The course must be approved by the board of assessors.

Sec. 5. [REPORT ON COMPOSITION OF FARMS.]

Before December 1, 1993, each county assessor shall provide a report to the commissioner of revenue on the composition of farm homesteads within the county. The report shall document the size of farms in acres, the value of farms broken down into land value and building value, and such other information as the commissioner shall require. The report shall be in a form prescribed by the commissioner with consultation from legislative staff. The commissioner shall make the information collected in the reports available to legislative staff.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective beginning July 1, 1993.

Sections 2 and 4 are effective the day following final enactment.

Section 3 is effective for any appointment beginning January 1, 1993 and thereafter.

ARTICLE 9

CONTAMINATION TAX

Section 1. [270.91] [CONTAMINATION TAX.]

Subdivision 1. [IMPOSITION.] A tax is annually imposed on the contamination value of taxable real property in this state.

Subd. 2. [INITIAL TAX RATES.] Unless the rates under subdivision 3 or 4 apply, the tax imposed under this section equals 100 percent of the class rate for the property under section 273.13, multiplied by the contamination value of the property.

Subd. 3. [TAX RATES, NONRESPONSIBLE PARTY.] If neither the owner nor the operator of the taxable real property, in the assessment year, is a responsible person under chapter 115B or a responsible party under chapter 18D for the presence of contaminants on the property, unless subdivision 4 applies, the tax imposed under this section equals 25 percent of the class rate for the property under section 273.13, multiplied by the contamination value of the property. A determination under section 115B.177 or other similar determination by the commissioner of the pollution control agency or by the commissioner of agriculture for a release of agricultural chemicals is dispositive of whether the owner or operator is not a responsible person under chapter 18D or 115B for purposes of this section. To qualify under this subdivision, the property owner must provide the assessor with a copy of the determination by July 1 of the assessment year.

Subd. 4. [TAX RATES AFTER PLAN APPROVAL.] (a) The tax imposed under this subdivision applies for the first assessment year that begins after one of the following occurs:

(1) a response action plan for the property has been approved by the commissioner of the pollution control agency or by the commissioner of

agriculture for an agricultural chemical release or incident subject to chapter 18D and work under the plan has begun; or

(2) the contaminants are asbestos and the property owner has in place an abatement plan for enclosure, removal, or encapsulation of the asbestos or a proactive, in-place management program pursuant to the rules, requirements, and formal policies of the United States environmental protection agency. To qualify under this clause, the property owner must (1) have entered into a binding contract with a licensed contractor for completion of the work, (2) have obtained a license from the commissioner of health and begun the work, or (3) implemented a proactive, in-place management program pursuant to the rules, requirements, and formal policies of the United States environmental protection agency. An abatement plan must provide for completion of the work within a reasonable time period, as determined by the assessors. An asbestos management program must cover a period of time and require such proactive practices as are required by the rules, requirements, and formal policies of the United States environmental protection agency.

(b) To qualify under paragraph (a), the property owner must provide the assessor with a copy of: (1) the approved response action plan; (2) a copy of the asbestos abatement plan and contract for completion of the work or the owner's license to perform the work; or (3) a copy of the approved asbestos management program. The property owner also must file with the assessor an affidavit indicating when work under the response action plan or asbestos abatement plan began.

(c) The tax imposed under this subdivision equals 50 percent of the class rate for the property under section 273.13, multiplied by the contamination value of the property.

(d) If neither the owner nor operator of the taxable real property, in the assessment year, is a responsible person under chapter 115B or a responsible party under chapter 18D for the presence of contamination on the property, the tax imposed under this subdivision equals 12.5 percent of the class rate for the property under section 273.13, multiplied by the contamination value of the property.

Sec. 2. [270.92] [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] For purposes of sections 1 to 8, the following terms have the meanings given.

Subd. 2. [ASSESSMENT YEAR.] "Assessment year" means the assessment year for purposes of general ad valorem property taxes.

Subd. 3. [CONTAMINANT.] "Contaminant" means a harmful substance as defined in section 115B.25, subdivision 7a.

Subd. 4. [CONTAMINATED MARKET VALUE.] "Contaminated market value" is the amount determined under section 3.

Subd. 5. [PRESENCE OF CONTAMINANTS.] "Presence of contaminants" includes the release or threatened release, as defined in section 115B.02, subdivision 15, of contaminants on the property.

Subd. 6. [RESPONSE PLAN.] "Response plan" means: (1) a development action response plan, as defined in section 469.174, subdivision 17; (2) a response action plan under chapter 115B or a corrective action plan under chapter 18D; (3) a plan for corrective action approved by the commissioner

of agriculture under section 18D.105; or (4) a plan for corrective action approved by the commissioner of the pollution control agency under section 115C.03.

Sec. 3. [270.93] [TAX BASE; CONTAMINATION VALUE.]

The contamination value of a parcel of property is the amount of the market value reduction, if any, that is granted for general ad valorem property tax purposes for the assessment year because of the presence of contaminants. The contamination value for a property may be no greater than the estimated cost of implementing a reasonable response action plan or asbestos abatement plan or management program for the property. These reductions in market value include those granted by a court, by a board of review, by the assessor upon petition or request of a property owner, or by the assessor. Reductions granted by the assessor are included only if the assessor reduced the property's market value for the presence of contaminants using an appraisal method or methods that are specifically designed or intended to adjust for the valuation effects of the presence of contaminants. The contamination value for a parcel with a reduction in value of less than \$10,000 is zero.

Sec. 4. [270.94] [EXEMPTION.]

The tax imposed by sections 1 to 8 does not apply to the contamination value of a parcel of property attributable to contaminants that were addressed by a response action plan for the property, if the commissioner of the pollution control agency, or the commissioner of agriculture for a release subject to chapter 18D, has determined that all the requirements of the plan have been satisfied. This exemption applies beginning for the first assessment year after the commissioner of the pollution control agency, or the commissioner of agriculture determines that the implementation of a response action plan has been completed.

To qualify under this section, the property owner must provide the assessor with a copy of the determination by the commissioner of the pollution control agency or the commissioner of agriculture of the completion of the response action plan.

Sec. 5. [270.95] [PAYMENT; ADMINISTRATION.]

The tax imposed under sections 1 to 8 is payable at the same time and manner as the regular ad valorem property tax. The tax is subject to the penalty, interest, lien, forfeiture, and any other rules for collection of the regular ad valorem property tax. If a reduction in market value that creates contamination value is granted after the ad valorem property tax has been paid, the contamination tax must be subtracted from the amount to be refunded to the property owner.

Sec. 6. [270.96] [DUTIES.]

Subdivision 1. [ASSESSORS.] Each assessor shall notify the county auditor of the contamination value under section 1 by the separate tax rate categories under subdivisions 2, 3, and 4 for each parcel of property within the assessor's jurisdiction. The assessor shall provide notice of the contamination value to the property owner by the later of June 1 of the assessment year or 30 days after the reduction in market value is finally granted.

Subd. 2. [AUDITOR.] The county auditor shall prepare separate lists of the contamination values for all property located in the county that are taxed

under section 1, subdivisions 2, 3, and 4. The commissioner shall prescribe the form of the listing. The auditor shall include the amount of the contamination taxes on the contamination value for the assessment year on the regular ad valorem property tax statement under section 276.04.

Subd. 3. [TREASURER.] (a) The county treasurer shall pay the proceeds of the tax imposed under section 1, subdivision 4, less the amount retained by the county for the cost of administration under section 8, to the commissioner at the same times provided for the ad valorem property tax settlements.

(b) The county treasurer shall pay the proceeds of the tax imposed under section 1, subdivisions 2 and 3 to the local taxing jurisdictions in the same manner provided for the distribution of ad valorem property taxes.

Subd. 4. [COURT ORDERED REDUCTIONS IN VALUE.] If a court orders a reduction in market value for purposes of the ad valorem property tax because of the presence of contaminants on the property, the court shall include in its order an offset for payment of the tax on contaminated value under section 1.

Sec. 7. [270.97] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues derived from the tax, interest, and penalties received from the county in the contaminated site cleanup and development account in the general fund.

Sec. 8. [270.98] [LOCAL ADMINISTRATIVE COSTS.]

The county may retain five percent of the total revenues derived from the tax imposed under section 1, subdivision 4, including interest and penalties, as compensation for administering the tax. The county board may reimburse municipalities for the services provided by assessors employed by the municipality in administering sections 1 to 8.

Sec. 9. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 15. [VALUATION OF CONTAMINATED PROPERTIES.] (a) In determining the market value of property containing contaminants, the assessor shall reduce the market value of the property by the contamination value of the property. The contamination value is the amount of the market value reduction that results from the presence of the contaminants, but it may not exceed the cost of a reasonable response action plan or asbestos abatement plan or management program for the property.

(b) For purposes of this subdivision, "asbestos abatement plan," "contaminants," and "response action plan" have the meanings as used in sections 1 and 2.

Sec. 10. Minnesota Statutes 1992, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) The notice must state for each parcel:

(1) the market value of the property as defined under section 272.03; subdivision 8, for property taxes payable in the following year and for taxes payable the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes; and

(6) *the contamination tax imposed on properties which received market value reductions for contamination.*

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 11. Minnesota Statutes 1992, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. *The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated.* The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief";

(6) the net tax payable in the manner required in paragraph (a); and

(7) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.61. These amounts shall be listed as "voter approved referenda levies."

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective beginning with taxes assessed in 1994, payable in 1995, and apply to reductions in market value in effect for the year regardless of when they were granted.

ARTICLE 10

CONTAMINATION CLEANUP GRANTS

Section 1. [116J.551] [CREATION OF ACCOUNT.]

A contaminated site cleanup and development account is created in the general fund. Money in the account may be used, as appropriated by law, to make grants as provided in section 4 and to pay for the commissioner's costs in reviewing applications and making grants.

Sec. 2. [116J.552] [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] For purposes of sections 1 to 7, the following terms have the meanings given.

Subd. 2. [CLEANUP COSTS.] "Cleanup costs" or "costs" mean the cost of implementing an approved response action plan.

Subd. 3. [CONTAMINANT.] "Contaminant" means a hazardous substance or a pollutant or contaminant as those terms are defined in section 115B.02.

Subd. 4. [DEVELOPMENT AUTHORITY.] "Development authority" includes a statutory or home rule charter city, housing and redevelopment authority, economic development authority, and a port authority.

Subd. 5. [METROPOLITAN AREA.] "Metropolitan area" means the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 6. [MUNICIPALITY.] "Municipality" means the statutory or home rule charter city, town, or, in the case of unorganized territory, the county in which the site is located.

Subd. 7. [PROJECT COSTS.] "Project costs" includes cleanup costs for the site and the cost of related site acquisition, demolition of existing improvements, and installation of public improvements necessary for the development authority to implement the response action plan.

Subd. 8. [RESPONSE ACTION PLAN.] "Response action plan" means a response action plan approved by the commissioner of the pollution control agency, including a "development action response plan" that meets the requirements of section 469.174, subdivision 17; and a "voluntary response action plan" under section 115B.175, subdivision 3.

Sec. 3. [116J.553] [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATION REQUIRED.] To obtain a contamination cleanup development grant, the development authority shall apply to the commissioner. The governing body of the municipality must approve, by resolution, the application.

Subd. 2. [REQUIRED CONTENT.] The commissioner shall prescribe and provide the application form. The application must include at least the following information:

- (1) identification of the site;*
- (2) an approved response action plan for the site, including the results of engineering and other tests showing the nature and extent of the release or threatened release of contaminants at the site;*
- (3) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;*
- (4) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser using accepted appraisal methodology;*
- (5) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;*
- (6) the manner in which the municipality will meet the local match requirement; and*

(7) any additional information or material that the commissioner prescribes.

Sec. 4. [116J.554] [GRANTS.]

Subdivision 1. [AUTHORITY.] The commissioner may make a grant to an applicant development authority to pay for up to 75 percent of the cleanup costs for a qualifying site, except the grant may not exceed 50 percent of the project costs. The determination of whether to make a grant for a qualifying site is within the sole discretion of the commissioner, subject to the process provided by this section, and available unencumbered money in the appropriation. The commissioner's decisions and application of the priorities under section 5 are not subject to judicial review, except for abuse of discretion.

Subd. 2. [QUALIFYING SITES.] A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the environmental response, and liability act under sections 115B.01 to 115B.24;

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology (i) is less than 50 percent of the estimated cleanup costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 5. [116J.555] [PRIORITIES.]

Subdivision 1. [PRIORITIES.] (a) The legislature expects that applications for grants will exceed the available appropriations and the agency will be able to provide grants to only some of the applicant development authorities.

(b) If applications for grants for qualified sites exceed the available appropriations, the agency shall make grants for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred and that meet all the requirements provided by law. In making this judgment, the commissioner shall consider the following factors:

(1) the recommendations or ranking of projects by the commissioner of the pollution control agency regarding the potential threat to public health and the environment that would be reduced or eliminated by completion of each of the response action plans;

(2) the potential increase in the property tax base of the local taxing jurisdictions, considered relative to the fiscal needs of the jurisdictions, that will result from developments that will occur because of completion of each of the response action plans;

(3) the social value to the community of the cleanup and redevelopment of the site, including the importance of development of the proposed public facilities on each of the sites;

(4) the probability that each site will be cleaned up without use of government money in the reasonably foreseeable future;

(5) the amount of cleanup costs for each site; and

(6) the amount of the commitment of municipal or other local resources to pay for the cleanup costs.

The factors are not listed in a rank order of priority; rather the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the response action plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. The commissioner shall provide a written statement of the supporting reasons for each grant. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 25 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish regular application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each cycle in which grants are awarded, the commissioner shall report to the legislative commission on waste management the grants awarded and appropriate supporting information describing each grant made. This report must be made within 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 6. [116J.556] [LOCAL MATCH REQUIREMENT.]

(a) In order to qualify for a grant under sections 1 to 7, the municipality must pay for at least one-half of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least 18 percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to 18 percent of cleanup costs. The rest of the local match may be paid with tax increments or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for

the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 7. [116J.557] [COST RECOVERY ACTIONS.]

Subdivision 1. [CAUSE OF ACTION.] The attorney general or a development authority or municipality that incurs cleanup costs to implement an approved response action plan pursuant to sections 216C.11 to 216C.16, may bring an action under section 115B.04 or other law to recover the reasonable and necessary cleanup costs incurred by the development authority or municipality. The attorney general, development authority, or municipality may recover all cleanup costs incurred whether paid from the proceeds of a grant under sections 216C.11 to 216C.16 or funds of the development authority or municipality. Recoverable costs include administrative and legal costs related to the development and implementation of the response action plan but do not include any cost associated with development or redevelopment of property. A development authority or municipality must have the consent of the attorney general to bring or settle an action under this subdivision to recover cleanup costs paid from the proceeds of a grant.

Subd. 2. [PROCEDURES.] The commissioner shall notify the attorney general when a grant is awarded under sections 216C.11 to 216C.16. Upon request of the attorney general the development authority shall prepare and submit a certification of the cleanup costs and shall cooperate in any cost recovery action brought by the attorney general under subdivision 1. Certification by the development authority of the cleanup costs incurred to develop and implement the approved response action plan is prima facie evidence that the costs are reasonable and necessary in any action brought under this section.

Subd. 3. [ATTORNEY GENERAL ASSISTANCE AND COSTS.] (a) The attorney general may assist a development authority or municipality, if requested to do so, in bringing an action under subdivision 1 by providing legal and technical advice or other appropriate assistance. The attorney general shall not assess any fee to the development authority or municipality for the assistance but may recover the cost of the assistance as provided in paragraph (b).

(b) If the attorney general brings or assists in an action brought under subdivision 1, the reasonable litigation expenses or other costs of legal or technical assistance incurred by the attorney general must be deducted from any recovery and paid to the attorney general before proceeds of the recovery are otherwise distributed. The attorney general shall deposit any money so deducted in the general fund.

Subd. 4. [DISPOSITION OF RECOVERED AMOUNTS.] Amounts recovered from responsible persons, after any deduction under subdivision 3, and all other amounts otherwise received by the municipality, the agency, or the attorney general for the site shall be used to reimburse the municipality and the account in proportion to their respective payments for response costs. The amount of recovered costs apportioned to tax increments must be treated by the municipality and development authority as an excess increment under section 469.176, subdivision 2.

Sec. 8. [ST. PAUL; ARLINGTON-JACKSON STUDY AREA; SPECIAL RULES FOR LOCAL MATCH.]

(a) *The city of St. Paul or any of its development authorities or agencies may apply for one or more grants under this article for contamination cleanup in the area bounded on the south by Maryland Avenue, on the west by Jackson Street, on the north by Arlington Avenue, and on the east by interstate highway 35E. In applying the local match requirement under section 6, the city may meet the requirement that an amount equal to 18 percent of cleaning costs be paid with unrestricted money (excluding tax increments) by including unrestricted money spent in the defined area for land acquisition, public improvements or other development costs which do not qualify as cleanup costs.*

(b) *Notwithstanding this exception, the city must provide, at least, one-half of the project costs for the site for which the grant is made. The local share of the project costs may be financed wholly or in part with tax increments.*

(c) *Unrestricted money spent for land acquisition or other costs and counted to meet the 18 percent match may be spent for costs anywhere with the defined area, regardless of whether they are for the specific site, but may only be used once in an application for a grant; if grant applications are made for two or more sites in the area.*

(d) *These special rules are provided to allow the city to begin activities within the broader area before testing and assessment of the contamination has been done and still to be able to qualify for a grant with an equivalent local match. The legislature shall study whether similar situations are common for other contaminated areas and whether the general law should be modified to provide for similar treatment for all comparable sites.*

Sec. 9. [APPROPRIATION.]

\$2,000,000 is appropriated to the commissioner of trade and economic development from the contaminated site cleanup and development account in the general fund to make grants under sections 1 to 7 and to pay the costs of administering the grant program. This appropriation is for fiscal year 1995 and remains available and does not cancel.

ARTICLE 11

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 1992, section 273.1399, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualifying captured net tax capacity" means the following amounts:

(1) the captured net tax capacity of a new or the expanded part of an existing economic development or soils condition tax increment financing district, other than a qualified manufacturing district, for which certification was requested after April 30, 1990;

(2) the captured net tax capacity of a qualified manufacturing district, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case

may the final amounts be less than zero or greater than the total captured net tax capacity of the district:

Number of Years	Percentage
1	0
2	20
3	40
4	60
5	80
6 or more	100;

(3) the captured net tax capacity of a new or the expanded part of an existing tax increment financing district, other than a *qualified housing district, qualified hazardous substance subdistrict, or an economic development or soils condition district*, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25
7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured net tax capacity resulting from the reduction in the subdistrict's or site's original net tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

(c) "Qualified manufacturing district" means an economic development district that qualifies under section 469.176, subdivision 4c, paragraph (a), without regard to clauses (2) and (4) (5), for which certification was requested after June 30, 1991, located in a home rule charter or statutory city that (1) has a population under 10,000 according to the last federal census and (2) is

wholly located outside of a metropolitan statistical area as determined by the United States Office of Management and Budget.

(d) "Qualified housing district" means a housing district for a residential rental project or projects in which the only properties receiving assistance from revenues derived from tax increments from the district meet all of the requirements for a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1992, regardless of whether the project actually receives a low-income housing credit.

(e) "Qualified hazardous substance subdistrict" means a hazardous substance subdistrict in which the municipality has made an election to make an alternative local contribution as provided under section 9.

Sec. 2. [272.71] [TIF PROPERTIES; NOTICE OF POTENTIAL VALUATION REDUCTIONS.]

(a) The following officials shall notify the municipality of potential reductions in the market value of taxable parcels located in a tax increment financing district:

(1) for applications to reduce market value or abate taxes or for applications to a local or county board of review, the assessor;

(2) for applications to reduce market value or abate taxes by the state board of equalization, the commissioner of revenue;

(3) for petitions to reduce market value or object to taxes under chapter 278, the county attorney.

The official shall provide the notice to the municipality in writing within 60 days after the petition or application for a reduction is made.

(b) This section applies only to reductions in valuation or taxes that are granted after certification of final values for purposes of certifying local tax rates.

(c) For purposes of this section, "municipality" means the municipality for the tax increment financing district, as defined under section 469.174, subdivision 6.

Sec. 3. Minnesota Statutes 1992, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal

staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise

of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain and is currently vacant, buildings and improvements which are vacated and substandard. *Notwithstanding the prior sentence, in cities of the first class the exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are substandard.* For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing;

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan for a rental housing project by obtaining the appointment of receivers or assignments of rents and profits under sections

559.17 and 576.01, except that the limitation relating to the minimum amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 4. Minnesota Statutes 1992, section 469.174, subdivision 19, is amended to read:

Subd. 19. [SOILS CONDITION DISTRICTS.] (a) "Soils condition district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that the following conditions exist:

(1) less than 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements;

(2) unusual terrain, the presence of hazardous substances, pollution or contaminants, or soil deficiencies for 80 percent of the acreage in the district require substantial filling, grading, removal or remedial action, or other physical preparation for use;

(3) (2) the estimated cost of the physical preparation under clause (2) (1), but excluding costs directly related to roads as defined in section 160.01 and local improvements as described in sections 429.021, subdivision 1, clauses (1) to (7), (11), and (12), and 430.01, when added to the fair market value of the land upon inclusion in the district exceeds the anticipated fair market value of the land upon before completion of the preparation.

The requirements of clause (2) need not be satisfied, if each parcel of property in the district either satisfies the requirements of clause (2) or the estimated costs of the proposed removal or remedial action exceeds \$2 per square foot for the area of the parcel.

(b) An area does not qualify as a soils condition district if it contains a wetland, as defined in section 103G.005, unless the development agreement prohibits draining, filling, or other alteration of the wetland or other binding legal assurances for preservation of the wetland are provided.

(c) If the district is located in the metropolitan area, the proposed development of the district in the tax increment financing plan must be consistent with the municipality's land use plan adopted in accordance with sections 473.851 to 473.872 and reviewed by the metropolitan council under section 473.175. If the district is located outside of the metropolitan area, the proposed development of the district must be consistent with the municipality's comprehensive municipal plan.

(d) No parcel shall be included in the district unless the authority has concluded an agreement or agreements for the development of at least 50 percent of the acreage having the unusual soil or terrain deficiencies. The agreement must provide recourse for the authority if the development is not completed.

Sec. 5. Minnesota Statutes 1992, section 469.174, subdivision 20, is amended to read:

Subd. 20. [INTERNAL REVENUE CODE.] "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1988 1992.

Sec. 6. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 27. [TOURISM FACILITY.] "Tourism facility" means property that:

(1) is located in a county where the median income is no more than 85 percent of the state median income;

(2) is located in a county in which, excluding the cities of the first class in that county, the earnings on tourism-related activities are 15 percent or more of the total earnings in the county;

(3) is located outside the metropolitan area defined in section 473.121, subdivision 2;

(4) is not located in a city with a population in excess of 20,000; and

(5) is acquired, constructed, or rehabilitated for use as a convention and meeting facility, amusement park, recreation facility, cultural facility, marina, park, hotel, motel, lodging facility, or nonhomestead dwelling unit that in each case is intended to serve primarily individuals from outside the county.

Sec. 7. Minnesota Statutes 1992, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] (a) A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

(ii) amount of bonded indebtedness to be incurred;

(iii) sources of revenue to finance or otherwise pay public costs;

(iv) the most recent net tax capacity of taxable real property within the tax increment financing district;

(v) the estimated captured net tax capacity of the tax increment financing district at completion; and

(vi) the duration of the tax increment financing district's existence;

(6) statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district;

(7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and

(8) identification of all parcels to be included in the district.

(b) For a housing district, redevelopment district, or a hazardous substance subdistrict, the authority may elect in the tax increment financing plan to provide for the identification of a minimum market value in the plan, development agreement, or assessment agreement, and provide that increment is first received by the authority when (1) the market value of the improvements as determined by the assessor reaches or exceeds the minimum market value, or (2) four years has elapsed from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor, whichever is earlier.

Sec. 8. Minnesota Statutes 1992, section 469.175, is amended by adding a subdivision to read:

Subd. 2a. [HOUSING DISTRICTS; REDEVELOPMENT DISTRICTS.] In the case of a proposed housing district or redevelopment district, in addition to the requirements of subdivision 2, at least 30 days before the publication of the notice for public hearing under subdivision 3, the authority shall deliver written notice of the proposed district to each county commissioner who represents part of the area proposed to be included in the district. The notice must contain a general description of the boundaries of the proposed district and the proposed activities to be financed by the district, an offer by the authority to meet and discuss the proposed district with the county commissioner, and a solicitation of the commissioner's comments with respect to the district.

Sec. 9. Minnesota Statutes 1992, section 469.175, is amended by adding a subdivision to read:

Subd. 6. [HAZARDOUS SUBSTANCE SUBDISTRICTS; LOCAL CONTRIBUTION ELECTION.] The state aid reductions under section 273.1399 do not apply to a hazardous substance subdistrict, if the municipality elects to pay and pays 18 percent of the cost of developing and implementing the development action response plan for the subdistrict and of any deposits to an indemnification fund out of its general fund, a property tax levy for that purpose, or other unrestricted money of the municipality (other than tax increments). The municipality must elect this option before it requests certification of the original tax capacity of the subdistrict and must notify the commissioner of revenue of its election. The election is irrevocable.

Sec. 10. Minnesota Statutes 1992, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (g)

subdivisions 1a to 1f, any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g) *subdivisions 1a to 1f*. The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be are pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) *Subd. 1a.* [DURATION LIMIT; THREE-YEAR ACTIVITY RULE.] No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor, unless within the three-year period (1) bonds have been issued in aid of the project containing the district pursuant to section 469.178, or any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) *Subd. 1b.* [DURATION LIMITS; TERMS.] (a) No tax increment shall in any event be paid to the authority

(1) after 25 years from date of receipt by the authority of the first tax increment for a mined underground space development district, ~~redevelopment district, or housing district,~~

(2) after 15 years after receipt by the authority of the first increment for a renewal and renovation district,

(3) after 12 years from approval of the tax increment financing plan for a soils condition district, ~~and~~

(4) after ~~eight~~ nine years from the date of the receipt, or ~~ten~~ 11 years from approval of the tax increment financing plan, whichever is less, for an economic development district,

(5) for a housing district or a redevelopment district, after 20 years from the date of receipt by the authority of the first tax increment by the authority pursuant to section 469.175, subdivision 1, paragraph (b); or, if no provision is made under section 469.175, subdivision 1, paragraph (b), after 25 years from the date of receipt by the authority of the first increment.

(b) For purposes of determining a duration limit under this subdivision or subdivision 1e that is based on the receipt of an increment, any increments from taxes payable in the year in which the district terminates shall be paid to the authority. This paragraph does not affect a duration limit calculated

from the date of approval of the tax increment financing plan or based on the recovery of costs or to a duration limit under subdivision 1c. This paragraph does not supersede the restrictions on payment of delinquent taxes in subdivision 1f.

Subd. 1c. [DURATION LIMITS; PRE-1979 DISTRICTS.] For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April 1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

~~(f) Subd. 1d. [DURATION LIMITS; EFFECT OF MODIFICATIONS.]~~ Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of ~~this subdivision subdivisions 1 to 1f.~~

~~(g) Subd. 1e. [DURATION LIMITS; HAZARDOUS SUBSTANCE SUB-DISTRICTS.]~~ If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by ~~this subdivision subdivisions 1 to 1f~~ *for the overlying district.* The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period *or 20 years if the authority elects under section 469.175, subdivision 1, paragraph (b), to defer receipt of the first increment;* or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

~~(h) Subd. 1f. [DELINQUENT TAXES AFTER TERMINATION.]~~ If a parcel located in the district has delinquent property taxes when the district terminates under the duration limits ~~under this subdivision~~, the payment of the parcel's delinquent taxes made after decertification of the district are tax increments to the extent the nonpayment of property taxes caused the outstanding bonds or contractual obligations pledged to be paid by the district to be paid by sources other than tax increments or to go unpaid. The county auditor shall pay the appropriate amount to the district. The authority shall provide the county auditor with information regarding the payment of outstanding bonds or contractual obligations and any other information necessary to administer the payment, as requested by the county auditor.

Sec. 11. Minnesota Statutes 1992, section 469.176, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT; GENERAL RULE.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.134, by a municipality or authority to finance or otherwise pay the costs of developing and implementing a development action response plan, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve.

Sec. 12. Minnesota Statutes 1992, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] (a) Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if at least ten more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

- (1) the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) warehousing, storage, and distribution of *tangible personal property*, but excluding retail sales;
- (3) research and development ~~or~~ *related to the activities listed in clause (1) or (2)*;
- (4) telemarketing if that activity is the exclusive use of the property; ~~or~~
- (4) (5) tourism facilities, if the tourism facility is not located in a development region, as defined in section 462.384, with a population in excess of 1,000,000; ~~or~~
- (6) *space necessary for and related to the activities listed in clauses (1) to (5)*.

The percentage of buildings and facilities that may be used for nonqualifying purposes is increased above ten percent, but not over 25 percent, to the

extent the nonqualifying square footage is directly related to and in support of the qualifying activity.

(b) Population must be determined under the provisions of section 477A.011. Tourism facilities are limited to hotel and motel properties, including ancillary restaurants, convention and meeting facilities, amusement parks, recreation facilities, cultural facilities, marinas, and parks. The city must find that the tourism facilities are intended primarily to serve individuals outside of the development region.

(c) If the authority financed the construction of improvements with increment revenues for a site on which the authority expected qualifying facilities to be constructed and nonqualified property was constructed on the site in excess of the amount permitted under paragraph (a) within five years after the district was created, the developer of the nonqualified property must pay to the authority an amount equal to 90 percent of the benefit resulting from the improvements. The amount required to be paid may not exceed the proportionate cost of the improvements, including capitalized interest, that was financed with increment revenues. The payment must be used to prepay or discharge bonds under section 469.176, subdivision 2, paragraph (a), clauses (1) to (3). If no bonds are outstanding, the payment shall be distributed as an excess increment. "Benefit" has the meaning given in chapter 429.

(d) (b) Notwithstanding the provisions of this subdivision, revenue derived from tax increment from an economic development district may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 5,000 square feet of commercial and retail facilities within the municipal jurisdiction of a home rule charter or statutory city that has a population of 5,000 or less. The 5,000 square feet limitation is cumulative and applies to all facilities in all the economic development districts within the municipal jurisdiction.

Sec. 13. Minnesota Statutes 1992, section 469.176, subdivision 4e, is amended to read:

Subd. 4e. [HAZARDOUS SUBSTANCE SUBDISTRICTS.] The additional tax increment received by the municipality from a hazardous substance subdistrict as a result of a reduction in original net tax capacity pursuant to section 469.174, subdivision 7, paragraph (b), or as a result of the extension of the period for collection of tax increment from a hazardous substance site or subdistrict provided for in subdivision 1, paragraph (g), may be used only to pay or reimburse the costs of: (1) removal actions or remedial actions with respect to hazardous substances or pollutants or contaminants or petroleum releases affecting or which may affect the designated hazardous substance site; (2) pollution testing, demolition, and soil compaction correction necessitated by the development response action plan for the designated hazardous substance site; and (3) *purchase of environmental insurance or deposits to a guaranty fund, relating only to liability or response costs for land in the subdistrict; and (4) related administrative and legal costs, including costs of review and approval of development response action plans by the pollution control agency and litigation expenses of the attorney general.*

Sec. 14. Minnesota Statutes 1992, section 469.176, subdivision 4g, is amended to read:

Subd. 4g. [GENERAL GOVERNMENT USE PROHIBITED.] (a) These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment from any district, whether certified before or after August 1, 1979, shall be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the municipality.

(b) If any publicly owned facility used for social, recreational, or conference purposes and financed in whole or in part from revenues derived from a district is operated or managed by an entity other than the authority, the operating and management policies of the facility must be approved by the governing body of the authority.

Sec. 15. [469.1765] [GUARANTY FUND.]

Subdivision 1. [AUTHORITY TO ESTABLISH.] An authority may establish and maintain a guaranty fund or funds. Money in the guaranty fund is available, under the terms and conditions that the development authority establishes, to indemnify or hold harmless a person from liability for remediation costs under a state or federal environmental law, regulation, ruling, order, or decision.

Subd. 2. [ELIGIBLE PERSON.] The authority may agree to pledge money in the guaranty fund to indemnify a person whose liability arises out of use, ownership, occupancy, or financing of a property in the subdistrict or district.

Subd. 3. [TERMS OF INDEMNITY.] The authority shall determine by resolution or by agreement with the person the terms and conditions under which money in the guaranty fund will be used to indemnify or hold harmless the person. The authority may not agree to indemnify a person from liability for contamination caused by the person. The maximum amount that may be paid from the guaranty fund with respect to properties within a subdistrict or district is one-half of the remediation and removal costs. The maximum duration of an indemnification agreement is 25 years. An indemnification agreement is subject to any other restrictions provided by this section or other law.

Subd. 4. [FUNDING.] (a) Revenues derived from tax increments and any other money available to the authority may be deposited in the guaranty fund. The municipality may appropriate money to the authority to be deposited in the guaranty fund.

(b) If a guaranty fund is established that applies to property located in more than one tax increment financing district or subdistrict, the authority shall establish separate accounts for each subdistrict and district. The authority shall deposit all revenues derived from tax increments from a subdistrict or district in the account for that subdistrict or district, except the following amounts may be deposited in a general or other account: (1) the portion of revenue derived increments from a district, subject to section 469.1763, that may be spent on activities outside of the district, or (2) up to 25 percent of the revenues derived from increments from districts that are not subject to section 469.1763 and which may be deposited in the guaranty fund under the

applicable tax increment financing plans. Investment earnings of money in an account must be credited to that account.

(c) The only money which may be pledged to indemnify or hold harmless a person from liability are amounts either in the account for the subdistrict or district in which the property out of which the liability arose is located or in an account not dedicated to a specific subdistrict or district.

Subd. 5. [LIABILITY LIMITED.] The authority and municipality is liable under a guaranty fund agreement only to the extent funds are available in the guaranty fund account or accounts available for the property.

Subd. 6. [DEPOSITORY.] The authority shall provide for the guaranty fund to be held by or maintained with a financial institution or corporate fiduciary eligible for the deposit of public money or eligible to act as a trustee or fiduciary for obligations issued under chapter 475.

Subd. 7. [FINAL DISPOSITION OF FUNDS.] At the end of the period of the indemnification, all unencumbered money in the guaranty fund for the subdistrict or district must be treated as an excess increment and distributed under the provisions of section 469.176, subdivision 2, paragraph (a), clause (4). If the municipality contributed money to the account, other than revenues derived from increments, the authority may deduct and pay to the municipality a proportionate share of the unencumbered money in the account before the money is distributed as an excess increment. The proportionate share is determined based on the amount of contributions of nonincrements to the account relative to total contributions, including increments, to the account.

Sec. 16. [469.1766] [DEVELOPER PAYMENTS.]

If the development agreement, other agreement, or arrangement provides for the developer to repay all or part of the assistance provided that was financed, directly or indirectly, with revenues derived from tax increments, the developer payments are subject to the restrictions imposed by law on revenues derived from tax increments and may only be spent for the purposes for which increments may be spent. A developer includes any beneficiary of assistance financed with revenues derived from tax increments.

Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that otherwise would have been paid in whole or part by the beneficiary.

Sec. 17. Minnesota Statutes 1992, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original net tax capacity of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4.

(b) In the case of a mined underground space development district the county auditor shall certify the original net tax capacity as zero, plus the net

tax capacity, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04.

(c) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(d) The amount to be added to the original net tax capacity of the district as a result of previously tax exempt real property within the district becoming taxable equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If substantial taxable improvements were made to a parcel after certification of the district and if the property later becomes tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement *or as a result of tax forfeiture*, the amount to be added to the original net tax capacity of the district as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified. The amount to be added to the original net tax capacity of the district as a result of enlargements equals the net tax capacity of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4.

(e) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(f) Each year the auditor shall also add to the original net tax capacity of each economic development district an amount equal to the original net tax capacity for the preceding year multiplied by the average percentage increase in the market value of all property included in the economic development district during the five years prior to certification of the district.

(g) The amount to be subtracted from the original net tax capacity of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt or being removed from the district. If the net tax capacity of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the district when the property upon which the abatement is made

has not been improved since the date of certification of the district and to the captured net tax capacity of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

(h) If a parcel of property contained a substandard building that was demolished or removed and if the authority elects to treat the parcel as occupied by a substandard building under section 469.174, subdivision 10, paragraph (b), the auditor shall certify the original net tax capacity of the parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated market value of the parcel for the year in which the building was demolished or removed, but applying the class rates for the current year.

Sec. 18. Minnesota Statutes 1992, section 469.177, subdivision 8, is amended to read:

Subd. 8. [ASSESSMENT AGREEMENTS.] An authority may enter into a written assessment agreement with any person establishing a minimum market value of land, existing improvements, or improvements to be constructed in a district, if the property is owned or will be owned by the person. The minimum market value established by an assessment agreement may be fixed, or increase or decrease in later years from the initial minimum market value. *If an agreement is fully executed before July 1 of an assessment year, the market value as provided under the agreement must be used by the county or local assessor as the taxable market value of the property for that assessment. Agreements executed on or after July 1 of an assessment year become effective for assessment purposes in the following assessment year.* An assessment agreement terminates on the earliest of the date on which conditions in the assessment agreement for termination are satisfied, the termination date specified in the agreement, or the date when tax increment is no longer paid to the authority under section 469.176, subdivision 1. The assessment agreement shall be presented to the county assessor, or city assessor having the powers of the county assessor, of the jurisdiction in which the tax increment financing district and the property that is the subject of the agreement is located. The assessor shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property, certifies that the market values assigned to the land and improvements are reasonable.

The assessment agreement shall be filed for record and recorded in the office of the county recorder or the registrar of titles of each county where the real estate or any part thereof is situated. *After the agreement becomes effective for assessment purposes*, the assessor shall value the property under section 273.11, except that the market value assigned shall not be less than the minimum market value established by the assessment agreement. The assessor may assign a market value to the property in excess of the minimum market value established by the assessment agreement. The owner of the property may seek, through the exercise of administrative and legal remedies, a

reduction in market value for property tax purposes, but no city assessor, county assessor, county auditor, board of review, board of equalization, commissioner of revenue, or court of this state shall grant a reduction of the market value below the minimum market value established by the assessment agreement during the term of the agreement filed of record regardless of actual market values which may result from incomplete construction of improvements, destruction, or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording an assessment agreement constitutes notice of the agreement to anyone who acquires any interest in the land or improvements that is subject to the assessment agreement, and the agreement is binding upon them.

An assessment agreement may be modified or terminated by mutual consent of the current parties to the agreement. Modification or termination of an assessment agreement must be approved by the governing body of the municipality. If the estimated market value for the property for the most recently available assessment is less than the minimum market value established by the assessment agreement for that or any later year and if bond counsel does not conclude that termination of the agreement is necessary to preserve the tax exempt status of outstanding bonds or refunding bonds to be issued, the modification or termination of the assessment agreement also must be approved by the governing bodies of the county and the school district. A document modifying or terminating an agreement, including records of the municipality, county, and school district approval, must be filed for record. The assessor's review and certification is not required if the document terminates an agreement. A change to an agreement not fully executed before July 1 of an assessment year is not effective for assessment purposes for that assessment year. If an assessment agreement has been modified or prematurely terminated, a person may seek a reduction in market value or tax through the exercise of any administrative or legal remedy. The remedy may not provide for reduction of the market value below the minimum provided under a modified assessment agreement that remains in effect. In no event may a reduction be sought for a year other than the current taxes payable year.

Sec. 19. Minnesota Statutes 1992, section 469.1831, subdivision 4, is amended to read:

Subd. 4. [PROGRAM MONEY; DISTRIBUTION AND RESTRICTIONS.] (a) Neighborhood revitalization program money may only be expended in accordance with the program for a purpose listed in subdivision 3 or this subdivision. Program money may not be used in those project areas of the city where the city determines that private investment will be sufficient to provide for development and redevelopment of the project area without public sector assistance, except in cases where program money is being used to remove or rehabilitate structurally substandard or obsolete buildings. Revenues derived from tax increments may only be expended for the purposes otherwise permitted by law, except that notwithstanding any law to the contrary, the city must pay at least the following amount of program money, including revenues derived from tax increments: (1) 15 percent to the school district, (2) 7.5 percent to the county, and (3) 7.5 percent for social services. Payment must be made to the county and school district within 15 days after the city receives the distribution of increment revenues, provided that the payment for calendar year 1990 may be made at any time during the year. Payment to the county for social services delivery shall be paid only after

approval of program and spending plans under paragraph (b). Payment to the school district for education programs and services shall be paid only after approval of program and spending plans under paragraph (b).

(b) The money distributed to the county in a calendar year must be deducted from the county's levy limit for the following calendar year. In calculating the county's levy limit base for later years, the amount deducted must be treated as a local government aid payment.

The city must notify the commissioner of education of the amount of the payment made to the school district for the year. The commissioner shall deduct from the school district's state education aid payments one-half of the amount received by the school district.

The program money paid to the school district must be expended for additional education programs and services in accordance with the program. The amounts expended by the school district may not replace existing services.

The money for social services must be paid to the county for the cost of the provision of social services under the plan, as approved by the policy board and the county board.

(c) The city must expend on housing programs and related purposes as provided by the program at least 75 percent of the program money, after deducting the payments to the school district and county.

(d) Notwithstanding any other provisions of law to the contrary, for a city of the first class qualifying under section 469.1781, paragraph (a), program money and money described in Laws 1990, chapter 604, article 7, section 29, as amended, may be expended anywhere within the city by the authority for a purpose permitted by this section for any political subdivision without compliance with section 469.175, subdivision 4, and such money shall be deemed to be expended for a purpose that is a permitted project under section 469.176 and for a purpose that is permitted under section 469.176 for the district from which the increment was received.

Sec. 20. [MINNETONKA; SOILS DISTRICT.]

Subdivision 1. [AUTHORITY.] The city of Minnetonka may create a soils condition tax increment financing district with or without a hazardous substance subdistrict, covering all or any portion of the following described property in the city of Minnetonka, county of Hennepin, state of Minnesota:

All that part of the east half of the northeast quarter of section 14, township 117 north, range 22 west, lying north of the Great Northern Railway right-of-way;

The east half of the southeast quarter of section 11, township 117 north, range 22 west; and

Lots 1, 2, 3, 4, 5, and 10, Block 1, and Lots 1, 2, 3, and 8, Block 2, Golden Acres Addition.

This district and a subdistrict may be created under Minnesota Statutes, section 469.175, if the governing body of the city finds, by resolution, that establishment of the district and a subdistrict will facilitate environmental response and provide for the settlement of pending litigation. Except as otherwise provided in this section, the provisions of Minnesota Statutes,

sections 469.174 to 469.179, apply to the district and a subdistrict. The city may issue bonds or other obligations payable, in whole or in part, from increment derived from the district and a subdistrict. The request for certification of the district and a subdistrict must be filed with the county auditor before December 1, 1995. The city may defer receipt of the first increment from the district or from a subdistrict for up to three years following certification. Minnesota Statutes, sections 469.174, subdivisions 7, paragraph (c), and 19, clause (a)(3); and 469.176, subdivisions 1, paragraph (d), 4b, 4e, 6, and 7, do not apply to this district and subdistrict. Nothing in this section affects the liability of persons for costs or damages associated with the release of hazardous substances, the city's right to pursue responsible parties or reimbursement under applicable insurance contracts, or the city's liability under Minnesota Statutes, section 115B.04, subdivision 4. The powers granted are in addition to other powers of the city.

Subd. 2. [QUALIFICATION RULES.] Before creating a district or subdistrict under this section, the governing body of the city of Minnetonka must find (i) that the response costs related to the district and subdistrict and deposits to the indemnification fund or premiums for the purchase of private environmental insurance necessary to develop the site exceed the estimated fair market value of the land in the district and subdistrict after completion of all necessary response activities and provision of indemnification under the plan and (ii) that independent of the environmental response costs, that the cost of correcting the unusual terrain and soil conditions materially impairs the ability of the owner to develop, sell, or finance all or any significant portion of the district. This finding is in addition to the findings required under Minnesota Statutes, section 469.174, subdivision 19, paragraph (a), clauses (1) and (2), in the case of the district, and the findings required under Minnesota Statutes, section 469.174, subdivision 7, in the case of the subdistrict.

Subd. 3. [LIMITS ON SPENDING INCREMENTS; POOLING RULES.] (a) The provisions of Minnesota Statutes, section 469.1763, do not apply to the district and a subdistrict created under this section. Revenues derived from tax increments from the district and subdistrict may be spent only on:

(1) response costs related to the area contained in the district and subdistrict including the activities outside of the subdistrict or the district but within the project, to the extent necessary to prevent contaminants moving to or from the contaminated parcels;

(2) deposits to an indemnification fund or the purchase of environmental insurance, relating only to liability or additional response costs for contaminated parcels located in the district;

(3) the costs of correcting the unusual terrain or soil deficiencies and the additional costs of installing public improvements directly caused by the deficiencies (except increments derived from reducing original tax capacity under Minnesota Statutes, section 469.174, subdivision 7, paragraph (b), may not be used for this purpose); and

(4) administrative expenses and costs permitted under Minnesota Statutes, section 469.176, subdivisions 3 and 4h, including costs of review and approval of development response actions plans by the commissioner of the pollution control agency and litigation expenses of the attorney general, if any.

(b) After sufficient revenues derived from tax increments have been received to pay all remediation costs, deposits to an indemnification fund or insurance premiums, and administrative and other qualifying costs, the district and subdistrict must be decertified. Minnesota Statutes, section 469.176, subdivision 1, paragraphs (e) and (g), apply to the district and subdistrict, except to the extent limited by this section.

Subd. 4. [DEFINITION.] For purposes of this section, "response" means activity constituting "respond" or "response" as those terms are defined in Minnesota Statutes, section 115B.02. Response costs include activities, including installation of public infrastructure, necessary to respond.

Subd. 5. [STATE AID REDUCTION.] (a) The state aid reductions under Minnesota Statutes, section 273.1399, do not apply to the district or a subdistrict established under this section, if the city elects to pay and pays 25 percent of the response costs and deposits to the indemnification fund out of its general fund, a property tax levy for that purpose, or other unrestricted city money (other than tax increments). The city must elect this option at the time of certification of the district and must notify the commissioner of revenue of its election. The election is irrevocable.

(b) If the city does not elect to pay for a portion of the cost as provided by paragraph (a), the state aid reductions under Minnesota Statutes, section 273.1399, apply. The qualified captured net tax capacity of the district or subdistrict or both must be calculated under Minnesota Statutes 1992, section 273.1399, subdivision 1, paragraph (a), clause (3) under the "All Other Districts" column.

Sec. 21. [CITY OF HOPKINS; HAZARDOUS SUBSTANCE SUBDISTRICT.]

Subdivision 1. [AUTHORIZATION.] Pursuant to Minnesota Statutes, section 469.175, subdivision 7, the city of Hopkins or its housing and redevelopment authority may create one or more hazardous substance subdistricts within tax increment financing district No. 2-5, or within any new or existing tax increment financing district encompassing any parcels located within township 117N, range 22W, sections 25 and 26 in the area bounded on the north by CSAH No. 3; on the south by the Hennepin County Regional Railroad Authority right-of-way; on the west by the city of Hopkins/city of Minnetonka boundary; and on the east by the existing parcel occupied by the city of Hopkins Well No. 1 Building. The city or its housing and redevelopment authority may issue bonds or other obligations payable in whole or in part from increment derived from the subdistrict or district upon a finding by city resolution that establishment of the subdistrict will facilitate environmental remediation and further the objectives of the tax increment financing plan for the district. The request for certification of the subdistrict must be filed with the county auditor before December 1, 1995. The city may defer receipt of the first increment from a subdistrict for up to three years following certification. Minnesota Statutes, sections 469.174, subdivisions 7, paragraph (c), and 16; and 469.176, subdivisions 1, paragraphs (d) and (g), 4e, 6, and 7, do not apply to the subdistrict.

Subd. 2. [PRESERVATION OF RIGHTS.] Nothing in this section affects the liability of persons for costs or damages associated with the release of hazardous substances, or the city's right to pursue responsible parties or to secure reimbursement under applicable insurance contracts, or the city's

liability under Minnesota Statutes, section 115B.04, subdivision 4. The powers granted are in addition to other powers of the city.

Subd. 3. [QUALIFICATION RULES.] Before creation of a subdistrict under subdivision 1, the city of Hopkins shall determine that the existence of pollution or contamination of parcels within the subdistrict materially impairs the ability of the owners of the parcels to develop, sell, lease, or finance all or any portion of the parcels. For purposes of determining the original net tax capacity of the subdistrict under Minnesota Statutes, section 469.174, subdivision 7, paragraph (b), the requirement that the authority enter into a redevelopment or other agreement or have in place a response action plan before reduction of the original tax capacity does not apply. The amount of the estimated costs of the removal or remedial actions may be based on reasonable estimates prepared for the city.

In addition, the city shall, following review by the pollution control agency, prepare and adopt a report which delineates the maximum amount of money to be reserved for eligible expenditures.

Subd. 4. [ELIGIBLE EXPENDITURES.] Revenue derived from tax increments from the subdistrict may be spent only on:

(1) costs of investigating and remediating the pollution or contamination in the area contained in the subdistrict, including activities outside of the subdistrict to the extent necessary to prevent pollutants or contaminants moving to or from the subdistrict;

(2) deposits to an indemnification fund to be used to indemnify existing or future owners, purchasers, lessees, or mortgagees of any parcel in the subdistrict against environmental liability and costs associated with the investigation and remediation of pollution or contamination in the subdistrict, or the purchase of environmental insurance relating only to liability or remediation costs for parcels located in the subdistrict;

(3) administrative expenses and costs, including those permitted under Minnesota Statutes, section 469.176, subdivision 4h, and costs of preparation, review, and approval of any response action plan or partial response action plan by the pollution control agency; and

(4) costs of actions, including litigation, to recover investigation and remediation costs incident to the subdistrict from responsible persons.

Subd. 5. [DECERTIFICATION.] After sufficient revenues derived from tax increments have been received to pay all investigation and remediation costs, deposits to an indemnification fund, insurance premiums, and administrative and other qualifying costs, and in all events not more than 20 years from the date of receipt by the city of the first tax increment from the subdistrict, the subdistrict must be decertified.

Subd. 6. [REDISTRIBUTION.] When the city has received sufficient tax increment funds to pay all eligible expenditures, any funds received must be applied by the city in the manner of excess tax increments under Minnesota Statutes, section 469.176, subdivision 2, and the Hennepin county auditor shall increase the original net tax capacity of the parcels in the subdistrict to the original net tax capacity that would prevail had no reduction been made.

Subd. 7. [DEFINITIONS.] For purposes of this section, "remediation" means activity constituting removal, remedy, remedial action, or response as

those terms are defined in Minnesota Statutes, section 115B.02, including activities to develop and implement a response action plan approved by the pollution control agency under Minnesota Statutes, section 115B.17, subdivision 14, or a partial response action plan approved by the pollution control agency under Minnesota Statutes, section 115B.175. Remediation costs include activities necessary to accomplish remediation, including installation of public infrastructure.

Subd. 8. [STATE AID REDUCTION.] The state aid reductions under Minnesota Statutes, section 273.1399, do not apply to a subdistrict established under this section, if the city elects to pay and pays 25 percent of the response costs and deposits to the indemnification fund out of its general fund, a property tax levy for that purpose, or other unrestricted city money (other than tax increments). The city must elect this option at the time of certification of the district and must notify the commissioner of revenue of its election. The election is irrevocable.

Sec. 22. [INVER GROVE HEIGHTS.]

Subdivision 1. [EXTENSION OF TAX INCREMENT FINANCING DISTRICT.] Tax increment financing district No. 3-2, established by the city of Inver Grove Heights on April 30, 1992, under Laws 1990, chapter 604, article 7, section 30, subdivision 2, continues in effect until the earlier of (1) May 1, 2004, or (2) when all costs provided for in the tax increment financing plan relating to the district have been paid. In no event may the city receive more than eight years of tax increments for the district and all tax increments received after May 1, 2002, in excess of the amount of local government aid lost by the city under Minnesota Statutes, section 273.1399, as a result of such tax increments, shall be used only to pay or reimburse capital costs of public road and bridge improvements.

Subd. 2. [BOND AUTHORIZATION.] If the city of Inver Grove Heights, the Minnesota department of transportation, and Dakota county agree to the planning, design, construction, and reconstruction of state, county, and city highway, street, and bridge improvements that serve, among other areas, the area of tax increment financing district No. 3-2, the city council may, by resolution, authorize, sell, and issue general obligation bonds of the city in a principal amount not to exceed \$4,000,000 to finance part of the cost of the improvements to be paid for by the state under the agreement. The city shall issue the bonds only if and to the extent it estimates they are necessary to pay costs of the improvements coming due for which state funds are not immediately available but will be received by the city under the agreement. The city shall pledge the state money to the payment of the bonds and after it receives the money shall pay the bonds as soon as practicable. The bonds shall be issued and secured under Minnesota Statutes, chapter 475, except no election is required to authorize their issuance.

Sec. 23. [CITY OF MANKATO; DURATION OF TAX INCREMENT FINANCING DISTRICT.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1, the duration of the key city redevelopment project tax increment financing district, district AAI, located within the city of Mankato, may be extended by the authority to August 1, 2009. Any increment received during the period of extended duration may only be utilized for payment of or to secure payment of debt service on bonds issued after April 1, 1993, and before January 1, 1994, or bonds issued to refund those bonds.

Sec. 24. [EFFECTIVE DATE.]

Sections 1, 4, 9, 11, 13, 15, and 16 are effective for districts and subdistricts for which requests for certification are made after August 1, 1993.

Section 2 is effective for applications filed after the day of final enactment.

Sections 6, 7, 8, and 10, subdivision 1b, clauses (4) and (5), 12, and 14 are effective for districts for which the request for certification is made after May 31, 1993.

Section 10, except subdivision 1b, clauses (4) and (5), is effective for districts for which the requests for certification were made after July 31, 1979.

Sections 17 and 18 are effective July 1, 1993, and apply to all districts, regardless of when the request for certification was made, including districts for which the request for certification was made before August 1, 1979. Section 18 applies only to modifications of assessment agreements made after August 1, 1993.

Section 19 is effective upon compliance by the city of Minneapolis with Minnesota Statutes, section 645.021, subdivision 3.

Section 20 is effective upon compliance by the city of Minnetonka with Minnesota Statutes, section 645.021, subdivision 3.

Section 21 is effective upon compliance by the city of Hopkins with Minnesota Statutes, section 645.021, subdivision 3.

Section 22 is effective the day following final enactment without the approval of any local government.

Section 23 is effective upon compliance by the city of Mankato with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 12

LOCAL GOVERNMENT EFFICIENCY AND COOPERATION

Section 1. [465.795] [DEFINITIONS.]

Subdivision 1. [AGENCY.] "Agency" means a department, agency, board, or other instrumentality of state government that has jurisdiction over an administrative rule or law from which a waiver is sought under section 3. If no specific agency has jurisdiction over such a law, "agency" refers to the attorney general.

Subd. 2. [BOARD.] "Board" means the board of government innovation and cooperation established by section 2.

Subd. 3. [COUNCIL.] "Council" or "metropolitan council" means the metropolitan council established by section 473.123.

Subd. 4. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a county, home rule charter or statutory city, school district, town, or special taxing district, except for purposes of sections 465.81 to 465.87.

Subd. 5. [METROPOLITAN AGENCY.] "Metropolitan agency" has the meaning given in section 473.121, subdivision 5a.

Subd. 6. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

Subd. 7. [SCOPE.] As used in sections 1 to 5 and sections 465.80 to 465.87, the terms defined in this section have the meanings given them.

Sec. 2. [465.796] [BOARD OF GOVERNMENT INNOVATION AND COOPERATION.]

Subdivision 1. [MEMBERSHIP.] The board of government innovation and cooperation consists of three members of the senate appointed by the subcommittee on committees of the senate committee on rules and administration, three members of the house of representatives appointed by the speaker of the house, two administrative law judges appointed by the chief administrative law judge, the commissioner of finance, the commissioner of administration, and the state auditor. The commissioners of finance and administration and the state auditor may each designate one staff member to serve in the commissioner's or auditor's place. The members of the senate and house of representatives serve as nonvoting members.

Subd. 2. [DUTIES OF BOARD.] The board shall:

(1) accept applications from local government units for waivers of administrative rules and temporary, limited exemptions from enforcement of procedural requirements in state law as provided in section 3, and determine whether to approve, modify, or reject the application;

(2) accept applications for grants to local government units and related organizations proposing to design models or plans for innovative service delivery and management as provided in section 4 and determine whether to approve, modify, or reject the application;

(3) accept applications from local government units for financial assistance to enable them to plan for cooperative efforts as provided in section 5, and determine whether to approve, modify, or reject the application;

(4) accept applications from eligible local government units for service-sharing grants as provided in section 465.80, and determine whether to approve, modify, or reject the application;

(5) accept applications from counties, cities, and towns proposing to combine under sections 465.81 to 465.87, and determine whether to approve or disapprove the application; and

(6) make recommendations to the legislature regarding the elimination of state mandates that inhibit local government efficiency, innovation, and cooperation.

The board may purchase services from the metropolitan council in reviewing requests for waivers and grant applications.

Subd. 3. [STAFF.] The board may hire staff or consultants as necessary to perform its duties.

Sec. 3. [465.797] [RULE AND LAW WAIVER REQUESTS.]

Subdivision 1. [GENERALLY.] (a) Except as provided in paragraph (b), a local government unit may request the board of government innovation and cooperation to grant a waiver from one or more administrative rules or a

temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before submitting an application to the board, the governing body of the local government unit must approve the waiver or exemption request by resolution at a meeting required to be public under section 471.705.

(b) A school district that is granted a variance from rules of the state board of education under section 121.11, subdivision 12, need not apply to the board for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the state board of education has authority to grant a variance to the rules under section 121.11, subdivision 12. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

Subd. 2. [APPLICATION.] A local government unit requesting a waiver of a rule or exemption from enforcement of a law under this section shall present a written application to the board. The application must include:

- (1) identification of the service or program at issue;
- (2) identification of the administrative rule or the law imposing a procedural requirement with respect to which the waiver or exemption is sought;
- (3) a description of the improved service outcome sought, including an explanation of the effect of the waiver or exemption in accomplishing that outcome;
- (4) a description of the means by which the attainment of the outcome will be measured; and
- (5) if the waiver or exemption is proposed by a single local government unit, a description of the consideration given to intergovernmental cooperation in providing this service, and an explanation of why the local government unit has elected to proceed independently.

A copy of the application must be provided by the requesting local government unit to the exclusive representative of its employees as certified under section 179A.12.

Subd. 3. [REVIEW PROCESS.] Upon receipt of an application from a local government unit, the board shall review the application. The board shall dismiss or request modification of an application within 60 days of its receipt if it finds that (1) the application does not meet the requirements of subdivision 2, or (2) the application should not be granted because it clearly proposes a waiver of rules or exemption from enforcement of laws that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If the application is submitted by a local government unit in the metropolitan area or the unit requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the metropolitan council or a metropolitan agency has jurisdiction, the board shall also transmit a copy of the application to the council for review and comment. The council shall report its comments to the board within 60 days of the date the application was transmitted to the council. The council may point out any resources or

technical assistance it may be able to provide a local government submitting a request under this section. If it does not dismiss the application, the board shall transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver or exemption is sought. The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested. If no agency has jurisdiction over the rule or law, the board shall transmit a copy of the application to the attorney general. If the commissioner of finance, the commissioner of administration, or the state auditor has jurisdiction over the rule or law, the chief administrative law judge shall appoint a second administrative law judge to serve as a member of the board in the place of that official for purposes of determining whether to grant the waiver or exemption. The agency shall inform the board of its agreement with or objection to and grounds for objection to the waiver or exemption request within 60 days of the date when the application was transmitted to it. Interested persons may submit written comments to the board on the waiver or exemption request within 60 days of the board's receipt of the application. If the agency fails to inform the board of its conclusion with respect to the application within 60 days of its receipt, the agency is deemed to have agreed to the waiver or exemption. If the exclusive representative of the employees of the requesting local government unit objects to the waiver or exemption request it may inform the board of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Subd. 4. [HEARING.] If the agency or the exclusive representative does not agree with the waiver or exemption request, the board shall set a date for a hearing on the application, which may be no earlier than 90 days after the date when the application was transmitted to the agency. The hearing must be conducted informally at a meeting of the board. Persons representing the local government unit shall present their case for the waiver or exemption, and persons representing the agency shall explain the agency's objection to it. Members of the board may request additional information from either party. The board may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, consultants, and members of the public. If necessary, the hearing may be continued at a subsequent board meeting. A waiver or exemption must be granted by a vote of a majority of the board members. The board may modify the terms of the waiver or exemption request in arriving at the agreement required under subdivision 5.

Subd. 5. [CONDITIONS OF AGREEMENTS.] If the board grants a request for a waiver or exemption, the board and the local government unit shall enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement must specify desired outcomes and the means of measurement by which the board will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver or exemption, which may be for no less than two years and no more than four years, subject to renewal if both parties agree. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.05, subdivision 4. A local unit of government that is granted an exemption from enforcement of a procedural requirement in state law under this section is exempt from that law for the duration of the exemption. The board may require periodic reports

from the local government unit, or conduct investigations of the service or program.

Subd. 6. [ENFORCEMENT.] If the board finds that the local government unit is failing to comply with the terms of the agreement under subdivision 5, it may rescind the agreement. Upon the rescision, the local unit of government becomes subject to the rules and laws covered by the agreement.

Subd. 7. [ACCESS TO DATA.] If a local government unit, through a cooperative program under this section, gains access to data collected, created, received, or maintained by another local government that is classified as not public, the unit gaining access is governed by the same restrictions on access to and use of the data as the unit that collected, created, received, or maintained the data.

Sec. 4. [465.798] [SERVICE BUDGET MANAGEMENT MODEL GRANTS.]

One or more local units of governments, an association of local governments, the metropolitan council, or an organization acting in conjunction with a local unit of government may apply to the board of government innovation and management for a grant to be used to develop models for innovative service budget management. Proposed models may provide options to local governments, neighborhood or community organizations, or individuals for managing budgets for service delivery. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the model was not completed or implemented according to the terms of the grant agreement, it may require the grantee to repay all or a portion of the grant. The amount of a grant under this section shall not exceed \$50,000.

Sec. 5. [465.799] [COOPERATION PLANNING GRANTS.]

Two or more local government units may apply to the board of government innovation and cooperation for a grant to be used to develop a plan for intergovernmental cooperation in providing services. The grant application must include the following information:

(1) the identity of the local government units proposing to enter into the planning process;

(2) a description of the services to be studied and the outcomes sought from the cooperative venture; and

(3) a description of the proposed planning process, including an estimate of its costs, identification of the individuals or entities who will participate in the planning process, and an explanation of the need for a grant to the extent that the cost cannot be paid out of the existing resources of the local government unit.

The plan may include model contracts or agreements to be used to implement the plan. A copy of the work product for which the grant was provided must be furnished to the board upon completion. If the board finds that the grantee has failed to implement the plan, it may require the grantee to repay all or a portion of the grant. The amount of a grant under this section shall not exceed \$50,000.

Sec. 6. Minnesota Statutes 1992, section 465.80, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] This section establishes a program for grants to ~~cities, counties, and towns~~ *local government units* to enable them to meet the start-up costs of providing shared services or functions.

Sec. 7. Minnesota Statutes 1992, section 465.80, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Any ~~home rule charter or statutory city, county, or town~~ *local government unit* that provides a plan for offering a governmental service under a joint powers agreement with another ~~city, county, or town~~ *local government unit*, or with an agency of state government, is eligible for a grant under this section, and is referred to in this section as an "eligible local government unit."

Sec. 8. Minnesota Statutes 1992, section 465.80, subdivision 4, is amended to read:

Subd. 4. [SUBMISSION OF PLAN TO ~~DEPARTMENT BOARD.~~] The plan must be submitted to the ~~department of trade and economic development board of government innovation and cooperation.~~ *A copy of the plan must also be provided by the requesting local government units to the exclusive representatives of the employees as certified under section 179A.12.* The ~~commissioner of trade and economic development board~~ will approve a plan only if it contains the elements set forth in subdivision 3, with sufficient information to verify the assertions under clauses (2) and (3). The ~~commissioner board~~ may request modifications of a plan. If the ~~commissioner board~~ rejects a plan, written reasons for the rejection must be provided, and a governmental unit may modify the plan and resubmit it.

Sec. 9. Minnesota Statutes 1992, section 465.80, subdivision 5, is amended to read:

Subd. 5. [GRANTS.] The amount of each grant shall be equal to the additional start-up costs for which evidence is presented under subdivision 3, clause (3). Only one grant will be given to a local government unit for any function or service it proposes to combine with another government unit, but a unit may apply for separate grants for different services or functions it proposes to combine. If the amount of money available for making the grants is not sufficient to fully fund the grants to eligible local government units with approved plans, the ~~commissioner board~~ shall award grants on the basis of each qualified applicant's score under a scoring system to be devised by the ~~commissioner board~~ to measure the relative needs for the grants and the ratio of costs to benefits for each proposal.

Sec. 10. Minnesota Statutes 1992, section 465.81, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in sections 465.81 to 465.87, the words defined in this subdivision have the meanings given them in this subdivision.

"Board" means the board of government innovation and cooperation.

"City" means home rule charter or statutory cities.

"Commissioner" means the commissioner of trade and economic development.

~~“Department” means the department of trade and economic development.~~

“Governing body” means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.

“Local government unit” or “unit” includes counties, cities, and towns.

Sec. 11. Minnesota Statutes 1992, section 465.82, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION AND STATE AGENCY REVIEW.] Each governing body that proposes to combine under sections 465.81 to 465.87 must adopt by resolution a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. The plan must be submitted to the ~~department of trade and economic development~~ *board of government innovation and cooperation* for review and comment. *For a metropolitan area local government unit, the plan must also be submitted to the metropolitan council for review and comment. The council may point out any resources or technical assistance it may be able to provide a governing body submitting a plan under this subdivision.* Significant modifications and specific resolutions of items must be submitted to the ~~department board and council, if appropriate,~~ for review and comment. In the official newspaper of each local government unit proposed for combination, the governing body must publish at least a summary of the adopted plans, each significant modification and resolution of items, and the results of each ~~department board and council, if appropriate,~~ review and comment.

Sec. 12. Minnesota Statutes 1992, section 465.83, is amended to read:

465.83 [STATE AGENCY APPROVAL.]

Before scheduling a referendum on the question of combining local government units under section 465.84, the units shall submit the plan adopted under section 465.82 to the ~~commissioner board.~~ *Metropolitan area units shall also submit the plan to the metropolitan council for review and comment. The commissioner board may require any information it deems necessary to evaluate the plan. The commissioner board shall disapprove the proposed combination if the commissioner it finds that the plan is not reasonably likely to enable the combined unit to provide services in a more efficient or less costly manner than the separate units would provide them, or if the plans or plan modification are incomplete. If the combination of local government units is approved by the board under this section, the local units are not required to proceed under chapter 414 to accomplish the combination.*

Sec. 13. Minnesota Statutes 1992, section 465.87, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A local government unit is eligible for aid under this section if the ~~commissioner board~~ has approved its plan to cooperate and combine under section 465.83.

Sec. 14. Minnesota Statutes 1992, section 465.87, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL ELIGIBILITY.] A local government unit is eligible for aid under this section if it has combined with another unit of government in accordance with chapter 414 and a copy of the municipal

board's order combining the two units of government is forwarded to the board.

Sec. 15. [APPROPRIATION.]

\$1,200,000 is appropriated from the local government trust fund to the board of government innovation and cooperation for the purpose of making grants under this article, including grants made under Minnesota Statutes, section 465.80, and aid paid under Minnesota Statutes, section 465.87.

ARTICLE 13

TACONITE TAX

Section 1. Minnesota Statutes 1992, section 298.227, is amended to read:
298.227 [TACONITE ECONOMIC DEVELOPMENT FUND.]

An amount equal to ~~10.4 cents per taxable ton~~ that distributed pursuant to each taconite producer's taxable production *and qualifying sales* under section 298.28, subdivision 9a, ~~for production years 1992 and 1993~~ shall be held by the iron range resources and rehabilitation board in a separate taconite economic development fund for each taconite producer. Money from the fund for each producer shall be released only on the written authorization of a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The district 33 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. Each producer's joint committee may authorize release of the funds held pursuant to this section only for acquisition of equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology. Funds may be released only upon a majority vote of the representatives of the committee. Any portion of the fund which is not released by a joint committee within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. This section is effective for taxes payable in 1993 and 1994.

Sec. 2. Minnesota Statutes 1992, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality, as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 124.918, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24; subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988-1989 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified

pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 3. Minnesota Statutes 1992, section 298.28, subdivision 7, is amended to read:

Subd. 7. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this subdivision shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1, and shall be increased in 1989, 1990, and 1991 according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amount distributed per ton shall be the same as the amount distributed per ton in 1991. In 1994, the amount distributed shall be the distribution per ton for 1991 increased in the same proportion as the increase between the fourth quarter of ~~1988~~ 1989 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. That amount shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

Sec. 4. Minnesota Statutes 1992, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. [TACONITE ECONOMIC DEVELOPMENT FUND.] (a) 10.4 cents per ton for distributions in 1993 and *15.4 cents per ton for distributions in 1994* shall be paid to the taconite economic development fund. No distribution shall be made under this ~~subdivision~~ *paragraph* in any year in which total industry production falls below 30 million tons.

(b) *An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 1/4 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed \$700,000 annually for all companies. If the initial amount to be paid to the fund exceeds this amount, each company's payment shall be prorated so the total does not exceed \$700,000.*

Sec. 5. Minnesota Statutes 1992, section 298.28, subdivision 10, is amended to read:

Subd. 10. [INCREASE.] The amounts determined under subdivisions 6, paragraph (a), and 9 shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. Those amounts shall be increased in 1989, 1990, and 1991 in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amounts determined under subdivisions 6, paragraph (a), and 9, shall be the distribution per ton determined for distribution in 1991. In 1994, the amounts determined under subdivisions 6, paragraph (a), and 9, shall be the distribution per ton determined for distribution in 1991 increased in the same proportion as the increase between the fourth quarter of ~~1988~~ 1989 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. Those amounts shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

The distributions per ton determined under subdivisions 5, paragraphs (b) and (d), and 6, paragraphs (b) and (c) for distribution in 1988 and subsequent years shall be the distribution per ton determined for distribution in 1987.

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective for production years beginning after December 31, 1992.

ARTICLE 14

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer from the budget and cash flow reserve account the amount

necessary to bring the total amount, including any existing balance in the account on July 1, 1992 1993, to ~~\$240,000,000~~ \$360,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 2. Minnesota Statutes 1992, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning in November 1990, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget and cash flow reserve account to ~~\$550,000,000~~ \$500,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to ~~27 percent~~ zero before money is allocated to the budget and cash flow reserve account under the preceding sentence.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 3. Minnesota Statutes 1992, section 97A.061, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION.] (a) Except as provided in subdivision 3, the county treasurer shall allocate the payment among the county, towns, and school districts on the same basis as if the payments were taxes on the land received in the year. *Payment of a town's or a school district's allocation must be made by the county treasurer to the town or school district within 30 days of receipt of the payment to the county.* The county's share of the payment shall be deposited in the county general revenue fund.

(b) The county treasurer of a county with a population over 39,000 but less than 42,000 in the 1950 federal census shall allocate the payment only among the towns and school districts on the same basis as if the payments were taxes on the lands received in the current year.

Sec. 4. Minnesota Statutes 1992, section 97A.061, subdivision 3, is amended to read:

Subd. 3. [GOOSE MANAGEMENT CROPLANDS.] (a) The commissioner shall make a payment on July 1 of each year from the game and fish fund, to each county where the state owns more than 1,000 acres of crop land, for wild goose management purposes. The payment shall be equal to the taxes assessed on comparable, privately owned, adjacent land. The county treasurer shall allocate *and distribute* the payment as provided in subdivision 2.

(b) The land used for goose management under this subdivision is exempt from taxation as provided in sections 272.01 and 273.19.

Sec. 5. Minnesota Statutes 1992, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner may promulgate rules for the

disbursement of funds earned under subdivision 1, or other funds in an inmate account, and section 243.88, subdivision 2, for the support of families and dependent relatives of the respective inmates, for the payment of court-ordered restitution, contribution to any programs established by law to aid victims of crime provided that the contribution shall not be more than 20 percent of an inmate's gross wages, for the payment of restitution to the commissioner ordered by prison disciplinary hearing officers for damage to property caused by an inmate's conduct, and for the discharge of any legal obligations arising out of litigation under this subdivision. *The commissioner may authorize the payment of court-ordered restitution from an inmate's wages when the restitution was ordered by the court as a sanction for the conviction of an offense which is not the offense of commitment, including offenses which occurred prior to the offense for which the inmate was committed to the commissioner.* An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for the inmate's detention in a local detention facility convenient to the place of the hearing when the inmate is not engaged in preparation and defense.

Sec. 6. Minnesota Statutes 1992, section 270.07, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL POWERS OF COMMISSIONER.] Notwithstanding any other provision of law the commissioner of revenue may,

(a) based upon the administrative costs of processing, determine minimum standards for the determination of additional tax for which an order shall be issued, and

(b) based upon collection costs as compared to the amount of tax involved, determine minimum standards of collection, and

(c) based upon the administrative costs of processing, determine the minimum amount of refunds for which an order shall be issued and refund made where no claim therefor has been filed, and

(d) cancel any amounts below these minimum standards determined under (a) and (b) hereof, and

(e) based upon the inability of a taxpayer to pay a delinquent tax liability, abate the liability if the taxpayer agrees to perform uncompensated public service work for a state agency, a political subdivision or public corporation of this state, or a nonprofit educational, medical, or social service agency. The department of corrections shall administer the work program. No benefits under chapter 176 or 268 shall be available, but a claim authorized under section 3.739 may be made by the taxpayer. The state may not enter into any agreement that has the purpose of or results in the displacement of public employees by a delinquent taxpayer under this section. The state must certify to the appropriate bargaining agent or employees, as applicable, that the work performed by a delinquent taxpayer will not result in the displacement of currently employed workers or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. The program authorized under this paragraph terminates June 30, 1993 1998.

Sec. 7. Minnesota Statutes 1992, section 270.66, is amended by adding a subdivision to read:

Subd. 4. [POLITICAL SUBDIVISION DEBTS.] (a) As used in this subdivision, "political subdivision" means counties and home rule charter or statutory cities, and "debts" means a legal obligation to pay a fixed amount of money, which equals or exceeds \$100 and which is due and payable to the claimant political subdivision.

(b) If one political subdivision owes a debt to another political subdivision, and the debt has not been paid within six months of the date when payment was due, the creditor political subdivision may notify the commissioner of revenue of the debt, and shall provide the commissioner with information sufficient to verify the claim. If the commissioner has reason to believe that the claim is valid, and the debt has not been paid, the commissioner shall initiate setoff procedures under this subdivision.

(c) Within ten days of receipt of the notification from the creditor political subdivision, the commissioner shall send a written notice to the debtor political subdivision, advising it of the nature and amount of the claim. This written notice shall advise the debtor of the creditor political subdivision's intention to request setoff of the refund against the debt.

The notice will also advise the debtor that the debt can be setoff against a state aid payment, and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the commissioner of revenue, which request the commissioner must receive within 45 days of the mailing date of the notice.

(d) If the commissioner receives written notice of a debtor political subdivision's intention to contest at hearing the claim upon which the intended setoff is based, the commissioner shall initiate a hearing according to contested case procedures established in the state administrative procedure act not later than 30 days after receipt of the debtor's request for a hearing. The costs of the hearing shall be paid equally by the political subdivisions that are parties to the hearing. The office of administrative hearings shall separately bill each political subdivision for one-half of the costs.

(e) If the debtor political subdivision does not object to the claim, or does not prevail in an objection to the claim or at a hearing on the claim, the commissioner of revenue shall deduct the amount of the debt from the next payment scheduled to be made to the debtor under section 273.1398 or chapter 477A. The commissioner shall remit the amount deducted to the claimant political subdivision.

Sec. 8. Minnesota Statutes 1992, section 270A.03, subdivision 7, is amended to read:

Subd. 7. [REFUND.] "Refund" means an individual income tax refund or political contribution refund, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds.

In the case of a joint property tax refund payable to spouses under chapter 290A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total

income determined under section 290A.03, subdivision 3. The commissioner shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, determine the amount of the refund belonging to that spouse and refund the amount to that spouse.

Sec. 9. Minnesota Statutes 1992, section 270A.10, is amended to read:

270A.10 [PRIORITY OF CLAIMS.]

If two or more debts, in a total amount exceeding the debtor's refund, are submitted for setoff, the priority of payment shall be as follows: First, any delinquent tax obligations of the debtor which are owed to the department shall be satisfied. Secondly, the refund shall be applied to debts for child support based on the order in time in which the commissioner received the debts. Thirdly, *the refund shall be applied to payment of restitution obligations.* Fourthly, the refund shall be applied to the remaining debts based on the order in time in which the commissioner received the debts.

Sec. 10. Minnesota Statutes 1992, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A (*except taxes imposed under sections 298.01, 298.015, and 298.24*), 290, 290A, 291, and 297A, and includes any laws for the assessment, collection, and enforcement of those taxes.

Sec. 11. Minnesota Statutes 1992, section 270B.14, subdivision 8, is amended to read:

Subd. 8. [EXCHANGE BETWEEN DEPARTMENTS OF LABOR AND INDUSTRY AND REVENUE.] ~~Notwithstanding any law to the contrary, The departments of labor and industry and revenue may exchange information on a reciprocal basis. Data that may be disclosed are limited to data used in determining whether a business is an employer or a contracting agent. as follows:~~

- (1) data used in determining whether a business is an employer or a contracting agent;*
- (2) taxpayer identity information relating to employers for purposes of supporting tax administration and chapter 176; and*
- (3) data to the extent provided in and for the purpose set out in section 176.181, subdivision 8.*

Sec. 12. Minnesota Statutes 1992, section 319A.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] *(a) A professional corporation may issue its stock only to and admit as a member only natural persons licensed to render a kind of professional service which the corporation is authorized to render or partnerships or professional corporations rendering the same kind of professional service. A person, partnership or professional corporation who becomes a shareholder or member of any such corporation may transfer its shares of stock or its membership only to a natural person, partnership or professional corporation to whom the corporation could have issued the shares of stock or membership. No proxy to vote any share in a professional corporation or membership may be given to a person who is not so licensed,*

nor may any voting trust be established with respect to the shares of the professional corporation unless all the voting trustees are natural persons so licensed.

(b) Notwithstanding paragraph (a), a professional corporation may issue its stock under this section to an employee stock ownership plan, as defined in section 4975(e)(7) of the Internal Revenue Code of 1986, as amended, if

(1) the voting trustees of the plan are natural persons licensed to render a kind of professional service which the corporation is authorized to render, and

(2) the shares are not directly issued to a person or entity not licensed to render a kind of advice which the corporation is authorized to render.

Sec. 13. Minnesota Statutes 1992, section 325D.33, is amended by adding a subdivision to read:

Subd. 8. [PENALTIES.] (a) A retailer who sells cigarettes for less than a legal retail price may be assessed a penalty in the full amount of three times the difference between the actual selling price and a legal price under sections 325D.30 to 325D.42. This penalty may be collected under the authorities given the commissioner in chapters 270 and 297, and the penalty shall bear interest at the rate prescribed by section 270.75, subdivision 5.

(b) A wholesaler who sells cigarettes for less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual selling price and the legal price under sections 325D.30 to 325D.42. This penalty may be collected under the authorities given the commissioner in chapters 270 and 297, and the penalty shall bear interest at the rate prescribed by section 270.75, subdivision 5.

(c) A retailer who engages in a plan, scheme, or device with a wholesaler to purchase cigarettes at a price which the retailer knows to be less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual purchase price and the legal price under sections 325D.30 to 325D.42. A retailer that coerces or requires a wholesaler to sell cigarettes at a price which the retailer knows to be less than a legal price may be assessed a penalty in the full amount of three times the difference between the actual purchase price and the legal price. These penalties may be collected under the authorities given the commissioner in chapters 270 and 297, and the penalties shall bear interest at the rate prescribed by section 270.75, subdivision 5.

For purposes of this subdivision, a retailer is presumed to know that a purchase price is less than a legal price if any of the following have been done:

(1) the commissioner has published the legal price in the Minnesota State Register;

(2) the commissioner has provided written notice to the retailer of the legal price;

(3) the commissioner has provided written notice to the retailer that the retailer is purchasing cigarettes for less than a legal price;

(4) the commissioner has issued a written order to the retailer to cease and desist from purchases of cigarettes for less than a legal price; or

(5) there is evidence that the retailer has knowledge of, or has participated in, efforts to disguise or misrepresent the actual purchase price as equal to or more than a legal price, when it is actually less than a legal price.

In any proceeding arising under this subdivision, the commissioner shall have the burden of providing by a reasonable preponderance of the evidence that the facts necessary to establish the presumption set forth in this section exist, or that the retailer had knowledge that a purchase price was less than the legal price.

(d) The commissioner may not assess penalties against any wholesaler, retailer, or combination of wholesaler and retailer, which are greater than three times the difference between the actual price and the legal price under sections 325D.30 to 325D.42.

Sec. 14. Minnesota Statutes 1992, section 325D.37, subdivision 3, is amended to read:

Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall ~~contact~~ notify the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10 in writing that it intends to meet a competitor's legal price. A wholesaler filing the notice shall be allowed to meet the competitor's price unless within seven days of receipt of the notice, the commissioner informs the wholesaler that the competitor's price is an illegal price.

Sec. 15. [325D.371] [PUBLICATION OF CIGARETTE PRICES.]

The commissioner shall publish in the State Register the presumed legal prices of all cigarettes as calculated pursuant to section 325D.32, subdivision 10. The prices must be published within one month of each recomputation, but not less than once each year.

Sec. 16. [383A.62] [ELECTIONS DEPARTMENT MERGER.]

The city of St. Paul and Ramsey county may, by agreement subject to this section, provide for the merger of the city elections office with the county election office. The consolidation shall be set to begin at the beginning of a fiscal year. In the preceding fiscal year and each year thereafter the county shall provide a budget and levy a property tax for the merged office that will defray the costs of the services provided throughout the county by the merged office. The county shall succeed to the obligations of the city under any collective bargaining agreements in existence at the time of the merger. Nothing in this section or in an agreement for merger under this section shall diminish any rights defined in collective bargaining agreements. The merger must not occur until bargaining units representing affected employees have completed negotiations on post-merger terms and conditions of employment. The county shall succeed to the other obligations and to the real and personal property of the merged city offices.

Sec. 17. Minnesota Statutes 1992, section 429.061, subdivision 1, is amended to read:

Subdivision 1. [CALCULATION, NOTICE.] At any time after the expense incurred or to be incurred in making an improvement shall be calculated under the direction of the council, the council shall determine by resolution the

amount of the total expense the municipality will pay, other than the amount, if any, which it will pay as a property owner, and the amount to be assessed. If a county proposes to assess within the boundaries of a city for a county state-aid highway or county highway, including curbs, gutters, and storm sewers, the resolution must include the portion of the cost proposed to be assessed within the city. The county shall forward the resolution to the city and it may not proceed with the assessment procedure nor may the county allocate any cost under this section for property within the city unless the city council adopts the resolution approving the assessment. Thereupon the clerk, with the assistance of the engineer or other qualified person selected by the council, shall calculate the proper amount to be specially assessed for the improvement against every assessable lot, piece or parcel of land, without regard to cash valuation, in accordance with the provisions of section 429.051. The proposed assessment roll shall be filed with the clerk and be open to public inspection. The clerk shall thereupon, under the council's direction, publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be such on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. Such publication and mailing shall be no less than two weeks prior to such meeting of the council. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for such purpose. Such notice shall state the date, time, and place of such meeting, the general nature of the improvement, the area proposed to be assessed, the total amount of the proposed assessment, that the proposed assessment roll is on the file with the clerk, and that written or oral objections thereto by any property owner will be considered. The notice must also state that no appeal may be taken as to the amount of any assessment adopted pursuant to subdivision 2, unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. The notice shall also state that an owner may appeal an assessment to district court pursuant to section 429.081 by serving notice of the appeal upon the mayor or clerk of the municipality within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk. The notice shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality. In addition, the notice mailed to the owner must include state in clear language the following information:

(1) the amount to be specially assessed against that particular lot, piece, or parcel of land;

(2) adoption by the council of the proposed assessment may be taken at the hearing;

(3) the right of the property owner to prepay the entire assessment and the person to whom prepayment must be made;

~~(3)~~ (4) whether partial prepayment of the assessment has been authorized by ordinance;

(4) (5) the time within which prepayment may be made without the assessment of interest; and

~~(5)~~ (6) the rate of interest to be accrued if the assessment is not prepaid within the required time period.

Sec. 18. Minnesota Statutes 1992, section 469.169, is amended by adding a subdivision to read:

Subd. 9. [ADDITIONAL BORDER CITY ALLOCATIONS.] In addition to tax reductions authorized in subdivisions 7 and 8, the commissioner may allocate \$1,100,000 for tax reductions to border city enterprise zones in cities located on the western border of the state, and \$300,000 to the border city enterprise zone in the city of Duluth. The commissioner shall make allocations to zones in cities on the western border by evaluating which cities' applications for allocations relate to business prospects that have the greatest positive economic impact. Allocations made under this subdivision may be used for tax reductions as provided in section 469.171, or other offsets of taxes imposed on or remitted by businesses located in the enterprise zone, but only if the municipality determines that the granting of the tax reduction or offset is necessary in order to retain a business within or attract a business to the zone. Limitations on allocations under section 469.169, subdivision 7, do not apply to this allocation. Enterprise zones that receive allocations under this subdivision may continue in effect for purposes of those allocations through December 31, 1994.

Sec. 19. [473.334] [SPECIAL ASSESSMENT; AGREEMENT.]

Subdivision 1. [GENERALLY.] In determining the special benefit received by regional recreation open space system property as defined in sections 473.301 to 473.351 from an improvement for which a special assessment is determined, the governing body shall not consider any use of the property other than as regional recreation open space property at the time the special assessment is determined. The metropolitan council shall not be bound by the determination of the governing body of the city but may pay a lesser amount, as agreed upon by the metropolitan council and the governing body of the city, as they determine is the measure of benefit to the land from the improvement.

Subd. 2. [EXCEPTION.] This section does not apply to Otter-Bald Eagle lake regional park property in the town of White Bear, Ramsey county, which shall continue to be governed by section 435.19.

Sec. 20. Minnesota Statutes 1992, section 477A.14, is amended to read:

477A.14 [USE OF FUNDS.]

Forty percent of the total payment to the county shall be deposited in the county general revenue fund to be used to provide property tax levy reduction. The remainder shall be distributed by the county in the following priority:

(a) 37.5 cents for each acre of county-administered other natural resources land shall be deposited in a resource development fund to be created within the county treasury for use in resource development, forest management, game and fish habitat improvement, and recreational development and maintenance of county-administered other natural resources land. Any county

receiving less than \$5,000 annually for the resource development fund may elect to deposit that amount in the county general revenue fund;

(b) From the funds remaining, *within 30 days of receipt of the payment to the county, the county treasurer shall pay each organized township shall receive 30 cents per acre of acquired natural resources land and 7.5 cents per acre of other natural resources land located within its boundaries.* Payments for natural resources lands not located in an organized township shall be deposited in the county general revenue fund. Payments to counties and townships pursuant to this paragraph shall be used to provide property tax levy reduction. Provided that, if the total payment to the county pursuant to section 477A.12 is not sufficient to fully fund the distribution provided for in this clause, the amount available shall be distributed to each township and the county general revenue fund on a pro rata basis; and

(c) Any remaining funds shall be deposited in the county general revenue fund. Provided that, if the distribution to the county general revenue fund exceeds \$35,000, the excess shall be used to provide property tax levy reduction.

Sec. 21. [UNEMPLOYMENT TAX ADMINISTRATION; STUDY.]

The commissioner of revenue and the commissioner of jobs and training shall study the feasibility of transferring the responsibility for collection of unemployment taxes from the department of jobs and training to the department of revenue. The commissioners must present their report to the legislature by February 1, 1994.

Sec. 22. [ST. PAUL; SPECIAL ASSESSMENTS.]

Subdivision 1. [POWERS.] The city of St. Paul may by ordinance choose to exercise the powers provided by this section in place of those provided by Minnesota Statutes, section 429.101, subdivision 1, but in accordance with the provisions of Minnesota Statutes, section 429.101, subdivisions 2 and 3. In addition to any method authorized by law or charter, the city may provide for the collection of unpaid special charges for all or any part of the following costs:

- (1) snow, ice, rubbish, or litter removal from public parking facilities;*
- (2) the operation, including maintenance and repair, of lighting systems for public parking facilities; or*
- (3) the operation, including maintenance and repair, of public parking facilities.*

Subd. 2. [SPECIAL ASSESSMENTS.] The costs listed in subdivision 1 may be collected as a special assessment against the property benefited.

Subd. 3. [REGULATIONS.] The council may by ordinance adopt regulations consistent with this section to make this authority effective, including, at the option of the council, provisions for collection of actual or estimated charges from the property owner or other person served before the unpaid charges are made a special assessment.

Subd. 4. [ADJUSTMENT.] If estimated charges are collected and, based upon subsequent actual costs, found to be excessive or deficient, subsequent charges shall be reduced by the excess or increased by the deficiency.

Sec. 23. [ST. PAUL HOUSING LOAN AND GRANT PROGRAM.]

Subdivision 1. [HOUSING REHABILITATION LOAN PROGRAM.] The city of Saint Paul may develop and administer a housing rehabilitation loan program with respect to residential property located anywhere within its boundaries on the terms and conditions as it determines. In approving applications for the program, the following factors must be considered:

(1) the availability of other governmental programs affordable by the applicant;

(2) the availability and affordability of private market financing;

(3) whether the housing is required, pursuant to an urban renewal program or a code enforcement program, to be repaired, improved, or rehabilitated;

(4) whether the housing is required, pursuant to a court order issued under Minnesota Statutes, section 566.25, clauses (b), (c), and (e), to be repaired, improved, or rehabilitated;

(5) whether the housing has been determined to be uninsurable because of physical hazards after inspection pursuant to a statewide property insurance plan approved by the United States Department of Housing and Urban Development under Title XII of the National Housing Act; and

(6) whether rehabilitation of the housing will maintain or improve the value of the housing and will help to stabilize the neighborhood in which the housing is located.

All loans and grants shall be issued primarily for rehabilitating housing so that it meets applicable housing codes, building codes, and health and safety codes, and to make other necessary improvements.

Subd. 2. [NEW RESIDENTIAL DWELLING UNITS.] A housing rehabilitation loan program undertaken under subdivision 1 may also provide for the city to make or purchase loans made to finance the acquisition of single-family residences and multifamily housing projects that have been newly constructed in established neighborhoods on land owned by the city or any agency of the city. For purposes of this subdivision, land shall be considered to be owned by the city if the city or one of its agencies previously owned the land and conveyed it to an individual, partnership, or other entity under a development agreement in which the developer has agreed to construct single-family housing or one or more multifamily housing projects on the land. In approving applications for a loan to be made under this subdivision, the following factors shall be considered:

(1) the availability and affordability of other governmental programs or private market financing; and

(2) whether the construction of the housing enhances the stability of the neighborhood in which it is located.

Subd. 3. [HOUSING REHABILITATION GRANT PROGRAM.] The city of St. Paul may develop and administer a housing rehabilitation grant program with respect to property within its boundaries, on the terms and conditions as it determines. In approving applications for grants used under this program, all of the considerations and limitations enumerated in subdivision 2 for loans must be considered and the following factors must also be considered:

(1) whether the housing unit is a single-family dwelling, homesteaded unit, or multifamily housing project; and

(2) whether the applicant is a person of low income.

The city council shall by ordinance set forth the regulations for its grant program. The dollar value of grants made shall not exceed five percent of the total value of the bonds issued for both the loan and the grant programs. All grants shall be made primarily to rehabilitate housing so that it meets applicable housing codes, building codes, and health and safety codes or to make other necessary improvements.

Subd. 4. [ISSUANCE OF BONDS.] To finance the programs authorized by this section, the governing body of the city of Saint Paul may, by resolution, authorize, issue, and sell general obligation bonds of the city of Saint Paul, with or without an election, and otherwise in accordance with the provisions of chapter 475. The total amount of all bonds outstanding at any time for the program authorized by this section shall not exceed \$25,000,000. The amount of all bonds issued shall be included in the net indebtedness of the city for the purpose of any charter or statutory debt limitation.

Subd. 5. [AUTHORITY MAY UNDERTAKE PROGRAM; AUTHORITY GENERAL OBLIGATION REVENUE BONDS.] The Saint Paul housing and redevelopment authority may exercise the powers of the city under this section, except that the regulations required by subdivision 3 must be enacted by an ordinance of the city. To finance the programs authorized by this section, the authority may issue bonds and pledge the full faith and credit and taxing power of the city as additional security for bonds payable from the income or revenues of a program or from the income or revenues of specific projects undertaken pursuant to a program, in the manner authorized by Minnesota Statutes, section 469.034, subdivision 2, except that the program may consist of a program of loans or grants for single-family housing or multifamily housing projects, and except that in lieu of the limit stated in section 469.034, subdivision 2, the maximum amount of bonds that may be outstanding at any time under this subdivision, together with the principal amount of bonds outstanding at any time under subdivision 4, shall not exceed the amount stated in subdivision 4. Each residential dwelling unit must be purchased or occupied by the elderly, or a person or family with income not greater than 175 percent of the median family income for the Minneapolis-Saint Paul metropolitan statistical area as estimated by the United States Department of Housing and Urban Development.

Subd. 6. [POWERS SUPPLEMENTAL; OWNERSHIP.] The powers granted by this subdivision supplement the powers granted to the city or authority by any other general or special law. Notwithstanding any contrary provision of any general or special law, single-family residences or multifamily housing projects financed by the city or authority pursuant to this subdivision may be owned by the city or authority or by a private person or entity. Except for properties that are part of a lease purchase program, the city or authority shall not own projects financed under this section for more than two years.

Sec. 24. [GOODHUE COUNTY; COUNTY REDEVELOPMENT AUTHORITY.]

Subdivision 1. [ESTABLISHMENT.] The Goodhue county board may, by adopting a written enabling resolution, establish a county redevelopment authority that, subject to subdivision 2, has the following powers: powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.1081, except for the authority to issue general obligation bonds under Minnesota Statutes, section 469.102; powers of a rural development financing authority under Minnesota Statutes, sections 469.142 to 469.151; and powers of a housing and redevelopment authority under Minnesota Statutes, chapter 462.

Subd. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] If the Goodhue county redevelopment authority exercises the powers of an economic development authority, the county may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.1081, including a tax levy to support the activities of the authority. The authority may create and define the boundaries of economic development districts at any place or places within the county. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as county economic development districts.

Subd. 3. [LIMIT OF POWERS.] (a) The enabling resolution may impose the following limits on the actions of the authority:

(1) that the authority may not exercise any of the powers contained in subdivision 1 unless those powers are specifically authorized in the enabling resolution; and

(2) any other limitation or control established by the county board by the enabling resolution.

(b) The enabling resolution may be modified at any time by the written resolution of the county board. All modifications to the enabling resolution must be by written resolution.

(c) Before the authority begins a project, the governing body of the municipality in which the project is to be located or the Goodhue county board, if the project is outside municipal corporate limits, must approve the project by majority vote as recommended by the authority.

Subd. 4. [BOARD OF DIRECTORS.] (a) The authority consists of a board of seven directors. The directors shall be appointed by the Goodhue county board. Each director shall be appointed to serve for three years or until a successor is appointed. No director may serve more than two consecutive terms. The appointment of directors must reflect representation of the entire county. The other two directors must be representatives of various county-based economic development organizations.

(b) Two of the directors initially appointed shall serve for terms of one year, two for two years, and three for three years. Each vacancy must be filled for the unexpired term. A vacancy occurs if a director no longer resides in the county. A director may be removed by the county board for inefficiency, neglect of duty, or misconduct in office.

(c) The county administrator or the designee of the county administrator shall be the executive secretary of the county redevelopment authority.

(d) The directors shall receive no compensation other than reimbursement for expenses incurred in the performance of their duties.

Sec. 25. [APPROPRIATION.]

\$301,000 is appropriated for fiscal year 1994 and \$119,000 is appropriated for fiscal year 1995 from the general fund to the commissioner of revenue for the purpose of meeting the cost to the department of revenue of administering the provisions of this act.

Sec. 26. [REPEALER.]

Minnesota Statutes 1992, section 325D.33, subdivision 7, is repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 3, 4, and 20 are effective for payments received by the county after June 30, 1993.

Section 7 is effective for debts incurred after July 31, 1993.

Section 8 is effective for property tax refunds paid after December 31, 1992.

Section 10 is effective retroactively to April 25, 1992.

Sections 14 and 15 are effective August 1, 1993. Section 13, paragraphs (a), (b), and (d), are effective the day following final enactment. Section 13, paragraph (c), is effective May 29, 1987, except that in any proceeding under paragraph (c) that arises out of purchases that occurred prior to August 1, 1993, the penalties shall not exceed the difference between the actual purchase price and the legal price. Section 26 is effective May 29, 1987.

Sections 16, 22, 23, and 24 are effective the day following final enactment and without local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, clause (a)."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying property tax provisions relating to procedures, valuation, levies, classifications, exemptions, notices, hearings, and assessors; adjusting formulas of state aids to local governments; providing for the establishment and operation of special service districts; authorizing establishment of an ambulance district; modifying definitions in the property tax refund law and providing a source of funding for the refunds; authorizing and changing requirements for special assessments; modifying provisions governing the establishment and operation of tax increment financing districts; establishing a process by which local governments may obtain waivers of state rules and laws establishing procedures; establishing a board of government innovation and cooperation and authorizing it to provide grants to encourage cooperation and innovation by local governments; authorizing imposition of local taxes; imposing a sports bookmaking tax; changing certain bonding and local government finance provisions; enacting provisions relating to certain cities, counties, and special taxing districts; imposing a tax on contaminated property and providing for use of the proceeds; conforming with changes in

the federal income tax law; limiting deductions for compensation paid to employees; clarifying an income tax apportionment formula; modifying sales tax exemption and collection provisions; modifying taconite production tax provisions, and increasing the distribution of the proceeds to the taconite economic development fund; modifying the availability of tax incentives and preferences; providing additional allocations to border city enterprise zones; providing for a budget and cash flow reserve account transfer; revising penalty, notification, and publication provisions of the unfair cigarette sales act; changing definitions; making technical corrections and clarifications; providing for studies; classifying data; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 16A.712; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 82.19, by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2; 115B.22, subdivision 7; 134.001, by adding a subdivision; 134.35, subdivision 1; 134.351, subdivision 4; 204D.19, by adding a subdivision; 205.10, by adding a subdivision; 205A.05, subdivision 1; 239.785; 243.23, subdivision 3; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.66, by adding a subdivision; 270.70, subdivision 1; 270A.03, subdivision 7; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.01, subdivision 3; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 5, 6a, 13, and by adding subdivisions; 273.112, subdivision 3, and by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.1318, subdivision 1; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding a subdivision; 273.1399, subdivision 1; 273.33, subdivision 2; 275.065, subdivisions 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivisions 3 and 7; 289A.40, by adding a subdivision; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 289A.63, subdivision 3; 290.01, subdivisions 7, 19, 19a, and 19c; 290.0671, subdivision 1; 290.091, subdivisions 2 and 6; 290.0921, subdivision 3; 290.191, subdivision 4; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, 15, and 16; 297A.04; 297A.06; 297A.07, subdivision 1; 297A.11; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.227; 298.27; 298.28, subdivisions 4, 7, 9a, and 10; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 325D.33, by adding a subdivision; 325D.37, subdivision 3; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1, and by adding a subdivision; 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1;

465.83; 465.87, subdivision 1, and by adding a subdivision; 469.012, subdivision 1; 469.040, subdivision 3; 469.169, by adding a subdivision; 469.174, subdivisions 19, 20, and by adding a subdivision; 469.175, subdivision 1, and by adding subdivisions; 469.176, subdivisions 1, 4, 4c, 4e, and 4g; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.446, subdivision 8; 473.711, subdivision 5; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; and 455, section 1; and Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116J; 134; 270; 272; 296; 297A; 325D; 349; 383A; 465; 469; and 473; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.124, subdivision 16; 273.1398, subdivision 5; 275.07, subdivision 3; 325D.33, subdivision 7; 383C.78; 477A.011, subdivisions 3a, 15, 16, 17, 18, 22, 23, 25, and 26; 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1, 2, and 3."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann H. Rest, Edgar Olson, Irv Anderson, Jean Wagenius, Dee Long

Senate Conferees: (Signed) Douglas J. Johnson, Ember D. Reichgott, Carol Flynn, John C. Hottinger, William V. Belanger, Jr.

Mr. Johnson, D.J. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1735 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1735 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kelly	Mondale	Sams
Beckman	Finn	Krentz	Morse	Samuelson
Belanger	Flynn	Kroening	Murphy	Solon
Berg	Frederickson	Laidig	Novak	Spear
Berglin	Hanson	Langseth	Pappas	Stumpf
Bertram	Hottinger	Lesewski	Piper	Vickerman
Betzold	Janezich	Lessard	Pogemiller	Wiener
Chandler	Johnson, D.E.	Luther	Price	
Chmielewski	Johnson, D.J.	Marty	Ranum	
Cohen	Johnson, J.B.	Metzen	Reichgott	
Day	Johnston	Moe, R.D.	Riveness	

Those who voted in the negative were:

Benson, D.D.	Knutson	Merriam	Olson	Runbeck
Benson, J.E.	Larson	Neuville	Pariseau	Stevens
Kiscaden	McGowan	Oliver	Robertson	Terwilliger

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1046: A bill for an act relating to crimes; prohibiting persons from interfering with access to medical facilities; prescribing penalties; authorizing civil and equitable remedies; amending Minnesota Statutes 1992, section 488A.101; proposing coding for new law in Minnesota Statutes, chapter 609.

Senate File No. 1046 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

Ms. Pappas moved that the Senate do not concur in the amendments by the House to S.F. No. 1046, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1133:

H.F. No. 1133: A bill for an act relating to energy; directing the public service department to evaluate and implement a policy to promote the use of motor vehicles powered by alternate fuels; appropriating money; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Hausman, Jacobs, Osthoff, Jennings and Neary have been appointed as such committee on the part of the House.

House File No. 1133 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Ms. Johnson, J.B. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1133, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 129:

H.F. No. 129: A bill for an act relating to marriage dissolution; maintenance; applying child support enforcement actions to actions to enforce maintenance; expanding notice of rights of parties in dissolution or separation proceeding; requiring child support order to assign responsibility for child's medical coverage; clarifying visitation rights; requiring dissolution judgment or decree to provide notice about principal residence; amending Minnesota Statutes 1992, sections 214.101, subdivisions 1 and 4; 518.17, subdivision 3; 518.171, subdivision 1; 518.175, subdivision 6; 518.177; 518.55; 518.551, subdivision 12; 518.583; 518.611, subdivision 2; and 518.641, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, Pugh and Macklin have been appointed as such committee on the part of the House.

House File No. 129 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Mr. Betzold moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 129, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1205:

H.F. No. 1205: A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Clark, Dawkins and Pawlenty have been appointed as such committee on the part of the House.

House File No. 1205 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Mr. Kelly moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1205, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 994:

H.F. No. 994: A bill for an act relating to children; foster care and adoption placement; specifying time limits for compliance with placement preferences; setting standards for changing out-of-home placement; requiring notice of certain adoptions; clarifying certain language; requiring compliance with certain law; amending Minnesota Statutes 1992, sections 257.071, subdivisions 1 and 1a; 257.072, subdivision 7; 259.255; 259.28, subdivision 2, and by adding a subdivision; 259.455; 260.012; 260.181, subdivision 3; and 260.191, subdivisions 1a, 1d, and 1e; proposing coding for new law in Minnesota Statutes, chapters 257; and 259.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Blatz; Skoglund; Brown, C.; Jefferson and Lourey have been appointed as such committee on the part of the House.

House File No. 994 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Mr. Spear moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 994, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 584:

H.F. No. 584: A bill for an act relating to utilities; regulating telephone services to communication-impaired persons; amending Minnesota Statutes 1992, sections 237.49; 237.50, subdivision 3; 237.51, subdivision 2; and 237.52, subdivision 2; repealing Laws 1987, chapter 308, section 8.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Jennings, Lynch and Pugh have been appointed as such committee on the part of the House.

House File No. 584 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Ms. Johnson, J.B. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 584, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MEMBERS EXCUSED

Mr. Mondale was excused from the Session of today from 8:30 to 9:15 a.m. Messrs. Beckman and Solon were excused from the Session of today from 8:30 to 9:30 a.m. Mr. Riveness and Ms. Reichgott were excused from the Session of today from 8:30 to 9:40 a.m. Mr. Novak was excused from the Session of today from 8:30 to 10:00 a.m. Mr. Kroening was excused from the Session of today from 8:30 to 10:05 a.m. Mr. Metzen was excused from the Session of today from 8:30 to 10:25 a.m. Mr. Pogemiller was excused from the Session of today from 8:30 to 10:30 a.m. and from 1:15 to 1:40 p.m. Mr. Johnson, D.J. was excused from the Session of today from 8:30 to 10:30 a.m. Mr. Samuelson was excused from the Session of today from 8:30 to 9:45 a.m. Ms. Pappas was excused from the Session of today from 8:30 to 11:30 a.m. Mr. Kelly was excused from the Session of today from 8:30 to 11:10 a.m. Mr. Cohen was excused from the Session of today from 8:30 a.m. to 12:00 noon. Mr. Hottinger was excused from the Session of today from 12:00 noon to 12:10 p.m. Mrs. Adkins was excused from the Session of today at 3:15 p.m. Ms. Anderson was excused from the Session of today from 8:30 to 9:00 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 10, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FOURTH DAY

St. Paul, Minnesota, Saturday, May 8, 1993

The House of Representatives met on Saturday, May 8, 1993, which was the Fifty-Fourth Legislative Day of the Seventy-Eighth Session of the Minnesota State Legislature. The Senate did not meet on this date.

FIFTY-FIFTH DAY

St. Paul, Minnesota, Monday, May 10, 1993

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Jan L. Mehlhoff.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 253, 521 and 1097.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 96, 283, 1032 and 338.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1993

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. 1244: A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66.

Senate File No. 1244 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

CONCURRENCE AND REPASSAGE

Mr. Chandler moved that the Senate concur in the amendments by the House to S.F. No. 1244 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1244: A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; providing for a recorded music center; requiring a study of Carver's Cave; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Morse	Sams
Anderson	Finn	Laidig	Murphy	Spear
Belanger	Flynn	Langseth	Neuville	Stevens
Benson, D.D.	Frederickson	Larson	Oliver	Stumpf
Benson, J.E.	Hanson	Lesewski	Olson	Terwilliger
Berg	Hottinger	Lessard	Pariseau	Vickerman
Berglin	Johnson, D.E.	Luther	Piper	Wiener
Betzold	Johnston	Marty	Pogemiller	
Chandler	Kelly	Metzen	Price	
Chmielewski	Knutson	Moe, R.D.	Ranum	
Cohen	Krentz	Mondale	Runbeck	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce 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. 1148: A bill for an act relating to traffic regulations; increasing fees for overweight trucks; authorizing permit to be issued for trailer or semitrailer exceeding 28-1/2 feet in three-vehicle combination; amending Minnesota Statutes 1992, sections 169.81, subdivision 2; and 169.86, subdivision 5.

Senate File No. 1148 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

CONCURRENCE AND REPASSAGE

Mr. Bertram moved that the Senate concur in the amendments by the House to S.F. No. 1148 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1148 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Mondale	Ränum
Anderson	Day	Krentz	Morse	Riveness
Belanger	Finn	Kroening	Murphy	Runbeck
Benson, D.D.	Flynn	Laidig	Neuville	Sams
Benson, J.E.	Hanson	Larson	Novak	Solon
Berg	Hottinger	Lesewski	Oliver	Spear
Berglin	Johnson, D.E.	Lessard	Olson	Stevens
Bertram	Johnson, D.J.	Luther	Pariseau	Stumpf
Betzold	Johnson, J.B.	Marty	Piper	Terwilliger
Chandler	Johnston	Metzen	Pogemiller	Vickerman
Chmielewski	Kelly	Moe, R.D.	Price	Wiener

Mr. Frederickson voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 589: A bill for an act relating to the St. Anthony Falls heritage board; permitting the mayor of Minneapolis and the chair of the Hennepin board of commissioners to designate a representative to the board; amending Minnesota Statutes 1992, section 138.763, subdivision 1.

Senate File No. 589 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

CONCURRENCE AND REPASSAGE

Mr. Kroening moved that the Senate concur in the amendments by the House to S.F. No. 589 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 589: A bill for an act relating to the St. Anthony Falls heritage board; providing for the composition of the board; amending Minnesota Statutes 1992, section 138.763, subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Riveness
Anderson	Finn	Kroening	Murphy	Runbeck
Belanger	Flynn	Laidig	Neuville	Sams
Benson, D.D.	Frederickson	Langseth	Novak	Spear
Benson, J.E.	Hanson	Larson	Oliver	Stevens
Berg	Hottinger	Lesewski	Olson	Stumpf
Berglin	Johnson, D.E.	Lessard	Pariseau	Terwilliger
Bertram	Johnson, D.J.	Luther	Piper	Vickerman
Betzold	Johnson, J.B.	Marty	Pogemiller	Wiener
Chandler	Johnston	Metzen	Price	
Chmielewski	Kelly	Moe, R.D.	Ranum	
Cohen	Knutson	Mondale	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 536: A bill for an act relating to sheriffs; imposing on sheriffs a duty to investigate snowmobile accidents; amending Minnesota Statutes 1992, sections 84.86, subdivision 1; 84.872; and 387.03.

Senate File No. 536 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 536 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 536: A bill for an act relating to recreational vehicles; expanding the jurisdiction of the commissioner of natural resources over the use of snowmobiles and all-terrain vehicles on public lands and waters; changing accident reporting duties; providing that the person in lawful control of a snowmobile or all-terrain vehicle is responsible for the operation of these vehicles by youthful operators; providing that a portion of the fines and assessments collected from recreational vehicle violations shall be credited to the snowmobile trails and enforcement account in the natural resources fund; expanding the duties of the sheriff to include investigating recreational vehicle accidents involving injury or death; amending Minnesota Statutes 1992, sections 84.86, subdivision 1; 84.872; 84.924, subdivisions 1 and 3; 84.9256, subdivision 3; 97A.065, subdivision 2; and 387.03.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Murphy	Sams
Anderson	Finn	Laidig	Neuville	Samuelson
Belanger	Flynn	Langseth	Novak	Spear
Benson, D.D.	Hanson	Larson	Oliver	Stevens
Benson, J.E.	Hottinger	Lesewski	Olson	Stumpf
Berg	Johnson, D.E.	Lessard	Pariseau	Terwilliger
Berglin	Johnson, D.J.	Luther	Piper	Vickerman
Bertram	Johnson, J.B.	Marty	Price	Wiener
Betzold	Johnston	Metzen	Ranum	
Chandler	Kelly	Moe, R. D.	Reichgott	
Chmielewski	Knutson	Mondale	Riveness	
Cohen	Krentz	Morse	Runbeck	

Mr. Frederickson voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1208: A bill for an act relating to game and fish; allowing walleye and northern pike to be possessed and transported in a dressed or undressed condition; establishing an experimental program for commercial fishing in Minnesota-Wisconsin boundary waters; limiting number of larger pike taken; amending Minnesota Statutes 1992, sections 97A.551, by adding a subdivision; and 97C.401.

Senate File No. 1208 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

CONCURRENCE AND REPASSAGE

Mr. Price moved that the Senate concur in the amendments by the House to S.F. No. 1208 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1208 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.J.	Lessard	Neuville	Runbeck
Belanger	Johnson, J.B.	Luther	Novak	Sains
Berglin	Johnston	Marty	Oliver	Spear
Betzold	Kelly	McGowan	Olson	Stevens
Chandler	Kiscaden	Merriam	Piper	Terwilliger
Cohen	Knutson	Metzen	Pogemiller	Vickerman
Flynn	Krentz	Moe, R.D.	Price	Wiener
Frederickson	Kroening	Mondale	Ranum	
Hottinger	Laidig	Morse	Riveness	
Johnson, D.E.	Langseth	Murphy	Robertson	

Those who voted in the negative were:

Adkins	Bertram	Finn	Lesewski	Stumpf
Benson, D.D.	Chmielewski	Hanson	Pariseau	
Berg	Day	Larson	Samuelson	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 697: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for surface water level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 103G.261; 103G.265, subdivision 3; 103G.271, subdivision 7, and by adding subdivisions; 103G.291, by adding a subdivision; 103G.301, subdivision 1; 115.03, subdivision 1; 473.156, subdivision 1; 473.175, subdivision 1; 473.851; and 473.859, subdivisions 3, 4, and by adding a subdivision.

Senate File No. 697 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1993

CONCURRENCE AND REPASSAGE

Mr. Price moved that the Senate concur in the amendments by the House to S.F. No. 697 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 697 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Morse	Robertson
Anderson	Flynn	Laidig	Murphy	Runbeck
Belanger	Frederickson	Langseth	Neuville	Sams
Benson, D.D.	Hanson	Larson	Novak	Samuelson
Benson, J.E.	Hottinger	Lesewski	Oliver	Solon
Berg	Johnson, D.E.	Lessard	Olson	Spear
Berglin	Johnson, D.J.	Luther	Pariseau	Stevens
Bertram	Johnson, J.B.	Marty	Piper	Stumpf
Betzold	Johnston	McGowan	Pogemiller	Terwilliger
Chandler	Kelly	Merriam	Price	Vickerman
Chmielewski	Kiscaden	Metzen	Ranum	Wiener
Cohen	Knutson	Moe, R.D.	Reichgott	
Day	Krentz	Mondale	Riveness	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE – CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1413: A bill for an act relating to workers' compensation; excluding certain wages in determining insurance premiums; modifying provisions relating to charges by certain nursing homes; amending Minnesota Statutes 1992, sections 79.211, subdivision 1; and 176.136, subdivision 1b.

Senate File No. 1413 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1993

CONCURRENCE AND REPASSAGE

Mr. Chandler moved that the Senate concur in the amendments by the

House to S.F. No. 1413 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1413 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Morse	Robertson
Anderson	Flynn	Laidig	Murphy	Runbeck
Belanger	Frederickson	Langseth	Neuville	Sams
Benson, D.D.	Hanson	Larson	Novak	Samuelson
Benson, J.E.	Hottinger	Lesewski	Oliver	Solon
Berg	Johnson, D.E.	Lessard	Olson	Spear
Berglin	Johnson, D.J.	Luther	Pariseau	Stevens
Bertram	Johnson, J.B.	Marty	Piper	Stumpf
Betzold	Johnston	McGowan	Pogemiller	Terwilliger
Chandler	Kelly	Merriam	Price	Vickerman
Chmielewski	Kiscaden	Metzen	Ranum	Wiener
Cohen	Knutson	Moe, R.D.	Reichgott	
Day	Krentz	Mondale	Riveness	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1570, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055; subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota

Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

Senate File No. 1570 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 7, 1993

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1151:

H.F. No. 1151: A bill for an act relating to employment; requiring wage payments at certain times; amending Minnesota Statutes 1992, section 181.101.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dauner, Cooper and Goodno have been appointed as such committee on the part of the House.

House File No. 1151 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Mr. Langseth moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1151, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 988:

H.F. No. 988: A bill for an act relating to game and fish; allowing the taking of two deer in designated counties; amending Minnesota Statutes 1992, section 97B.301, subdivisions 2, 4, and by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Sparby, Tunheim and Stanius have been appointed as such committee on the part of the House.

House File No. 988 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 988, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 931:

H.F. No. 931: A bill for an act relating to motor fuels; increasing minimum oxygen content in certain areas at certain times; amending Minnesota Statutes 1992, section 239.791, subdivisions 1 and 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Peterson, Long and Rest have been appointed as such committee on the part of the House.

House File No. 931 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1993.

Mr. Bertram moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 931, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1247, 1138 and 1499.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 7, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1247: A bill for an act relating to motor vehicles; establishing automobile theft prevention program and creating board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 867.

H.F. No. 1138: A bill for an act relating to agriculture; changing eligibility and participation requirements for certain rural finance authority programs; authorizing an application fee; amending Minnesota Statutes 1992, sections

41B.03, subdivision 1, and by adding a subdivision; 41B.039, subdivision 2; and 41B.042, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 908.

H.F. No. 1499: A bill for an act relating to consumer protection; providing for training requirements for manual or mechanical therapy; requiring diagnosis of a person's condition before therapy; providing for rulemaking; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 146.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1311, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 543 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
543	388				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 543 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 543 and insert the language after the enacting clause of S.F. No. 388, the first engrossment; further, delete the title of H.F. No. 543 and insert the title of S.F. No. 388, the first engrossment.

And when so amended H.F. No. 543 will be identical to S.F. No. 388, and further recommends that H.F. No. 543 be given its second reading and substituted for S.F. No. 388, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1081 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1081	1597				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1081 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1081 and insert the language after the enacting clause of S.F. No. 1597, the first engrossment; further, delete the title of H.F. No. 1081 and insert the title of S.F. No. 1597, the first engrossment.

And when so amended H.F. No. 1081 will be identical to S.F. No. 1597, and further recommends that H.F. No. 1081 be given its second reading and substituted for S.F. No. 1597, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 192 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
192	255				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 192 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 192 and insert the language after the enacting clause of S.F. No. 255, the second engrossment; further, delete the title of H.F. No. 192 and insert the title of S.F. No. 255, the second engrossment.

And when so amended H.F. No. 192 will be identical to S.F. No. 255, and further recommends that H.F. No. 192 be given its second reading and substituted for S.F. No. 255, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 623 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
623	474				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 623 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 623 and insert the language after the enacting clause of S.F. No. 474, the first engrossment; further, delete the title of H.F. No. 623 and insert the title of S.F. No. 474, the first engrossment.

And when so amended H.F. No. 623 will be identical to S.F. No. 474, and further recommends that H.F. No. 623 be given its second reading and substituted for S.F. No. 474, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 373 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
373	891				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 373 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 373 and insert the language after the enacting clause of S.F. No. 891, the first engrossment; further, delete the title of H.F. No. 373 and insert the title of S.F. No. 891, the first engrossment.

And when so amended H.F. No. 373 will be identical to S.F. No. 891, and further recommends that H.F. No. 373 be given its second reading and substituted for S.F. No. 891, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 519 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
519	184				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 519 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 519 and insert the language after the enacting clause of S.F. No. 184, the second engrossment; further, delete the title of H.F. No. 519 and insert the title of S.F. No. 184, the second engrossment.

And when so amended H.F. No. 519 will be identical to S.F. No. 184, and further recommends that H.F. No. 519 be given its second reading and substituted for S.F. No. 184, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 543, 1081, 192, 623, 373 and 519 were read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 327 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 327: A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; exempting former prisoners of war plates from motor vehicle registration tax; amending Minnesota Statutes 1992, sections 168.031; 168.12, subdivision 5; and 168.125, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Riveness
Anderson	Dille	Krentz	Morse	Runbeck
Benson, D.D.	Finn	Kroening	Murphy	Sams
Benson, J.E.	Fredrickson	Laidig	Neuville	Samuelson
Berg	Hanson	Larson	Novak	Solon
Berglin	Hottinger	Lesewski	Olson	Stevens
Bertram	Johnson, D.E.	Lessard	Pariseau	Stumpf
Betzold	Johnson, D.J.	Luther	Piper	Terwilliger
Chandler	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chmielewski	Johnston	Metzen	Price	
Cohen	Kelly	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Kiscaden	Merriam	Ranum	Spear
Flynn	Marty	Oliver	Robertson	Wiener

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 163, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 163 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 8, 1993

CONFERENCE COMMITTEE REPORT ON H.F. NO. 163

A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports by certain solicitors of campaign contributions; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public subsidy to match in-district contributions; clarifying filing requirements for candidate agreements and the duration of the agreements; requiring return of public subsidies under certain conditions; imposing contribution limits on candidates for local offices; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring a report of candidates on whose behalf political contributions have been refunded by the state; defining certain terms; clarifying certain language; appropriating money; amending Minnesota Statutes 1992, sections 10A.01, subdivision 10c, and by adding a subdivision; 10A.04, by adding a subdivision; 10A.065, subdivision 1; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.19, subdivision 1; 10A.20, subdivision 3, and by adding a subdivision; 10A.25, by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.31, subdivisions 6, 8, and by adding a subdivision; 10A.322, subdivisions 1 and 2; 10A.324, subdivisions 1 and 3; 211B.15; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; 211A; and 211B.

May 5, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 163, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 163 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 9a. [ELECTION CYCLE.] “Election cycle” means the period from January 1 following a general election for an office to December 31 following the next general election for that office, except that “election cycle” for a special election means the period from the date the special election writ is issued to 60 days after the special election is held.

Sec. 2. Minnesota Statutes 1992, section 10A.01, subdivision 10b, is amended to read:

Subd. 10b. “Independent expenditure” means an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate’s principal campaign committee or agent. An independent expenditure is not a contribution to that candidate. An expenditure by a political party or political party unit, as defined in section 10A.275, subdivision 3, in a race where the political party has a candidate on the ballot is not an independent expenditure.

Sec. 3. Minnesota Statutes 1992, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] “Noncampaign disbursement” means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes any of the following purposes:

- (a) payment for accounting and legal services;
- (b) return of a contribution to the source;
- (c) repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) return of money from the state elections campaign fund a public subsidy;
- (e) payment for food, beverages, entertainment, and facility rental for a fundraising event;
- (f) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;
- (g) a donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f);

(h) payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities;

(i) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

(j) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

(k) costs of child care for the candidate's children when campaigning;

(l) fees paid to attend a campaign school;

(m) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

(n) interest on loans paid by a principal campaign committee on outstanding loans;

(o) filing fees;

(p) post-general election thank-you notes or advertisements in the news media;

(q) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

(r) transfers to a party unit as defined in section 10A.275, subdivision 3; and

(s) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision; and

(h) Payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities.

Sec. 4. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 29. [POPULATION.] "Population" means the population established by the most recent federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by an estimate made by the state demographer under section 4A.02, whichever has the latest stated date of count or estimate.

Sec. 5. Minnesota Statutes 1992, section 10A.04, is amended by adding a subdivision to read:

Subd. 8. [REPORTS BY SOLICITORS.] A lobbyist who directly solicits and causes others to make aggregate contributions to candidates or a caucus of the members of a political party in a house of the legislature in excess of \$5,000 between January 1 of the election year and 25 days before the primary or general election must file the information in the report required by section 10A.20, subdivision 14, ten days before the primary or general election. This disclosure requirement is in addition to the report required by section 10A.20, subdivision 14.

Sec. 6. Minnesota Statutes 1992, section 10A.065, subdivision 1, is amended to read:

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, any other political committee with the candidate's name or title, ~~or~~ any committee authorized by the candidate, *or a political committee established by all or a part of the party organization within a house of the legislature*, shall not solicit or accept a contribution on behalf of ~~the~~ a candidate's principal campaign committee, any other political committee with the candidate's name or title, ~~or~~ any committee authorized by the candidate, *or a political committee established by all or a part of the party organization within a house of the legislature*, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Sec. 7. Minnesota Statutes 1992, section 10A.065, subdivision 5, is amended to read:

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; ~~by all or part of the party organization within each house of the legislature, except for individual members~~; by a candidate for a judicial office; or to a member of such a political committee acting solely on behalf of the committee.

Sec. 8. Minnesota Statutes 1992, section 10A.14, subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:

- (a) The name and address of the political committee or political fund;
- (b) The name and address of any supporting association of a political fund;
- (c) The name and address of the chair, the treasurer, and any deputy treasurers;
- (d) A listing of all depositories or safety deposit boxes used;
- (e) A statement as to whether the committee is a principal campaign committee *as authorized by section 10A.19, subdivision 1*; and
- (f) For political parties only, a list of categories of substate units as defined in section 10A.27, subdivision 4.

Sec. 9. Minnesota Statutes 1992, section 10A.15, is amended by adding a subdivision to read:

Subd. 3c. [RELATED COMMITTEES.] *An individual, association, political committee, or political fund may establish, finance, maintain, or control a political committee or political fund. One who does this is a "parent." The political committee or fund so established, financed, maintained, or controlled is a "subsidiary." If the parent is an association, the association must create a political committee or political fund to serve as the parent for reporting purposes. A subsidiary must report its contribution to a candidate or principal campaign committee as attributable to its parent, and the contri-*

but ion is counted toward the contribution limits in section 10A.27 of the parent as well as of the subsidiary.

Sec. 10. Minnesota Statutes 1992, section 10A.15, is amended by adding a subdivision to read:

Subd. 5. [LOBBYIST, POLITICAL COMMITTEE, OR POLITICAL FUND REGISTRATION NUMBER ON CHECKS.] A contribution made to a candidate by a lobbyist, political committee, or political fund must show the name of the lobbyist, political committee, or political fund and the number under which it is registered with the board.

Sec. 11. Minnesota Statutes 1992, section 10A.16, is amended to read:

10A.16 [EARMARKING CONTRIBUTIONS PROHIBITED.]

~~Any An individual, political committee or political fund which receives may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate shall disclose to the ultimate recipient, and in the reports required by section 10A.20, the original source of the contribution, the fact that the contribution is earmarked and the candidate to whom it is directed. The ultimate recipient of any contribution so earmarked shall also disclose the original source and the individual, political committee, or political fund through which it is directed. This section applies only to contributions required to be disclosed by section 10A.20, subdivision 3, clause (b). Any other than the initial recipient. An individual, political committee, or political fund who knowingly accepts any earmarked contribution and fails to make the required disclosure is guilty of a gross misdemeanor.~~

Sec. 12. Minnesota Statutes 1992, section 10A.17, subdivision 4, is amended to read:

~~Subd. 4. Any individual, political committee, or political fund who independently solicits or accepts contributions or makes independent expenditures on behalf of any candidate shall publicly disclose that the candidate has not approved the expenditure is an independent expenditure. All written communications with those from whom contributions are independently solicited or accepted or to whom independent expenditures are made on behalf of a candidate, shall contain a statement in conspicuous type that the activity is an independent expenditure and is not approved by the candidate nor is the candidate responsible for it. Similar language shall be included in all oral communications, in conspicuous type on the front page of all literature and advertisements published or posted, and at the end of all broadcast advertisements made by that individual, political committee or political fund on the candidate's behalf.~~

Sec. 13. Minnesota Statutes 1992, section 10A.17, subdivision 5, is amended to read:

~~Subd. 5. Any person who knowingly violates the provisions of subdivision 2 or 4, or who falsely claims that the candidate has not approved the expenditure or activity is guilty of a misdemeanor. A person who knowingly violates the provisions of subdivision 4 or falsely claims that an expenditure was an independent expenditure is guilty of a gross misdemeanor.~~

Sec. 14. Minnesota Statutes 1992, section 10A.19, subdivision 1, is amended to read:

Subdivision 1. No candidate shall accept contributions from any source, other than self, in aggregate in excess of \$100 or ~~any money from the state elections campaign fund~~ *accept a public subsidy* unless the candidate designates and causes to be formed a single principal campaign committee for each office sought. *A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit as defined in section 10A.275, subdivision 3.*

A political committee bearing a candidate's name or title or otherwise operating under the direct or indirect control of the candidate, other than a principal campaign committee of the candidate, may not accept contributions after the effective date of this section, and must be dissolved by December 31, 1993.

Sec. 15. Minnesota Statutes 1992, section 10A.20, subdivision 2, is amended to read:

Subd. 2. The reports shall be filed with the board on or before January 31 of each year and additional reports shall be filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed ten days before a primary and a general election, seven days before a special primary and a special election, and ~~30~~ *ten* days after a special election *cycle*. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.

(b) In each general election year political committees and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 16. Minnesota Statutes 1992, section 10A.20, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF REPORT.] Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, the name and address of each individual or association to whom aggregate noncampaign disbursements in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each noncampaign disbursement; ~~and~~

(m) The sum of all noncampaign disbursements made within the year by or on behalf of a principal campaign committee, political committee, or political fund; *and*

(n) A report filed under subdivision 2, clause (b), by a political committee or political fund that is subject to subdivision 14, must contain the information required by subdivision 14, if the political committee or political fund has solicited and caused others to make aggregate contributions greater than \$5,000 between January 1 of the general election year and the end of the reporting period. This disclosure requirement is in addition to the report required by subdivision 14.

Sec. 17. Minnesota Statutes 1992, section 10A.20, is amended by adding a subdivision to read:

Subd. 6b. [INDEPENDENT EXPENDITURES; NOTICE.] Within 24 hours after an individual, political committee, or political fund makes or becomes obligated by oral or written agreement to make an independent expenditure in excess of \$100, other than an expenditure by an association targeted to inform solely its own dues-paying members of the association's position on a candidate, the individual, political committee, or political fund shall file with the board a notice of the intent to make the expenditure. The notice must contain the information with respect to the expenditure that is required to be reported under subdivision 3, paragraph (g); except that if an expenditure is reported before it is made, the notice must include a reasonable estimate of the anticipated amount. Each new expenditure requires a new notice.

Sec. 18. Minnesota Statutes 1992, section 10A.20, is amended by adding a subdivision to read:

Subd. 14. [REPORTS BY SOLICITORS.] An individual, association, political committee, or political fund, other than a candidate or the members of a candidate's principal campaign committee, that directly solicits and causes others to make contributions to candidates or a caucus of the members of a political party in a house of the legislature, that aggregate more than \$5,000 in a calendar year must file with the board a report disclosing the amount of each contribution, the names of the contributors, and to whom the contributions were given. The report for each calendar year must be filed with the board by January 31 of the following year. The report must cover the accumulated contributions made or received during the calendar year.

Sec. 19. Minnesota Statutes 1992, section 10A.24, subdivision 1, is amended to read:

Subdivision 1. [TERMINATION REPORT.] No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. "Assets" include credit balances at vendors and physical assets such as computers and postage stamps. Physical assets must be listed at their fair market value. The termination report may be made at any time and shall include all information required in periodic reports.

Sec. 20. Minnesota Statutes 1992, section 10A.25, subdivision 2, is amended to read:

Subd. 2. (a) In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

- (a) (1) For governor and lieutenant governor, running together, \$1,626,691;
- (b) (2) For attorney general, \$271,116;
- (c) (3) For secretary of state, state treasurer, and state auditor, separately, \$135,559;
- (d) (4) For state senator, \$40,669;
- (e) (5) For state representative, \$20,335.

(b) *If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.*

(c) *The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is running for that office for the first time and who has not run previously for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.*

Sec. 21. Minnesota Statutes 1992, section 10A.25, subdivision 6, is amended to read:

Subd. 6. In any year ~~following~~ *before* an election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed ~~one fourth~~ *20 percent* of the expenditure limit set forth in subdivision 2.

Sec. 22. Minnesota Statutes 1992, section 10A.25, subdivision 10, is amended to read:

Subd. 10. [EFFECT OF OPPONENT'S AGREEMENT.] (a) The expenditure limits imposed by this section apply only to candidates whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns ~~in the form of an allocation of money from the state elections campaign fund.~~

(b) A candidate of a major political party who agrees to be bound by the limits and receives a public subsidy, who has an opponent who: (1) is a candidate of a major political party; and (2) does not agree to be bound by the limits but is otherwise eligible to receive a public subsidy:

(i) is no longer bound by the limits, including those in section 10A.324, subdivision 1, paragraph (c); ~~and~~

(ii) is eligible to receive a public subsidy; *and*

(iii) *also receives, or shares equally with any other candidate who agrees to be bound by limits, the opponent's share of the general account public subsidy under section 10A.31.*

For purposes of this subdivision, "otherwise eligible to receive a public subsidy" means that a candidate meets the requirements of sections 10A.31, 10A.315, 10A.321, and 10A.322, but does not mean that the candidate has filed an affidavit of matching funds under section 10A.323.

Sec. 23. Minnesota Statutes 1992, section 10A.25, is amended by adding a subdivision to read:

Subd. 11. [CARRYFORWARD; DISPOSITION OF OTHER FUNDS.] After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 50 percent of the expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund and any public matching subsidy must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign fund or a political party for multicandidate expenditures as defined in section 10A.275.

Sec. 24. Minnesota Statutes 1992, section 10A.25, is amended by adding a subdivision to read:

Subd. 12. [UNUSED POSTAGE AND CREDIT BALANCES CARRIED FORWARD.] Postage that is purchased but not used during an election cycle and credit balances at vendors that exceed a combined total of \$500 must be carried forward and counted as expenditures during the election cycle during which they are used.

Sec. 25. Minnesota Statutes 1992, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept *aggregate contributions from made or delivered* by any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, ~~\$20,000~~ \$2,000 in an election year for the office sought and ~~\$3,000~~ \$500 in other years;

(b) To a candidate for attorney general, ~~\$10,000~~ \$1,000 in an election year for the office sought and ~~\$2,000~~ \$200 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, ~~\$5,000~~ \$500 in an election year for the office sought and ~~\$1,000~~ \$100 in other years;

(d) To a candidate for state senator, ~~\$1,500~~ \$500 in an election year for the office sought and ~~one-third of that amount~~ \$100 in other years; and

(e) To a candidate for state representative, ~~\$750~~ \$500 in an election year for the office sought and ~~one-third of that amount~~ \$100 in the other year.

The following deliveries are not subject to the bundling limitation in this subdivision:

(1) *delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund raising event, to the committee's treasurer; and*

(2) *a delivery made by an individual on behalf of the individual's spouse.*

Sec. 26. Minnesota Statutes 1992, section 10A.27, subdivision 2, is amended to read:

Subd. 2. No candidate shall permit the candidate's principal campaign committee to accept contributions from any political party *units in aggregate*

in excess of five ten times the amount that may be contributed to that candidate by a political committee as set forth in subdivision 1.

Sec. 27. Minnesota Statutes 1992, section 10A.27, subdivision 9, is amended to read:

Subd. 9. (a) A candidate or the treasurer of a candidate's principal campaign committee shall not accept in any calendar year aggregate contributions in an amount greater than the maximum amount allowed under subdivision 1 a transfer or contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee shall not make a transfer or contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A candidate's principal campaign committee shall not accept a transfer or contribution from, or make a transfer or contribution to, a committee associated with a person who seeks nomination or election to the office of President, Senator, or Representative in Congress of the United States.

(c) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a contribution from a candidate for political subdivision office, unless the contribution is from the personal funds of the candidate for political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee shall not make a contribution from the principal campaign committee to a candidate for political subdivision office.

Sec. 28. Minnesota Statutes 1992, section 10A.27, is amended by adding a subdivision to read:

Subd. 10. [PROHIBITED CONTRIBUTIONS.] A candidate who accepts a public subsidy may not contribute to the candidate's own campaign more than ten times the candidate's election year contribution limit under subdivision 1.

Sec. 29. Minnesota Statutes 1992, section 10A.27, is amended by adding a subdivision to read:

Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF CONTRIBUTORS.] A candidate shall not permit the candidate's principal campaign committee to accept a contribution from a political committee other than a political party unit as defined in section 10A.275, a political fund, a lobbyist, or an individual, other than the candidate, who contributes more than half the amount an individual may contribute, if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate.

Sec. 30. Minnesota Statutes 1992, section 10A.27, is amended by adding a subdivision to read:

Subd. 12. [CONTRIBUTIONS TO OTHER POLITICAL COMMITTEES OR FUNDS.] The treasurer of a political committee or political fund, other than a candidate's principal campaign committee or a political party unit as defined in section 10A.275, shall not permit the political committee or

political fund to accept aggregate contributions from an individual, political committee, or political fund in an amount more than \$100 a year.

Sec. 31. Minnesota Statutes 1992, section 10A.28, subdivision 2, is amended to read:

Subd. 2. A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27; and the treasurer of a political fund or political committee, other than a principal campaign committee, who permits the committee or fund to accept contributions in excess of the limits imposed by section 10A.27, shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Sec. 32. Minnesota Statutes 1992, section 10A.31, subdivision 6, is amended to read:

Subd. 6. ~~Within two weeks~~ *As soon as the board has obtained from the secretary of state the results of the primary election, but in any event no later than one week after certification by the state canvassing board of the results of the primary, the state treasurer board shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates of that party who have signed the agreement as provided in section 10A.322 and filed the affidavit required by section 10A.323, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivision 5. If a candidate files the affidavit required by section 10A.323 after September 1 of the general election year, the board shall pay the candidate's allocation to the candidate at the next regular payment date for public subsidies for that election cycle that occurs at least 15 days after the candidate files the affidavit.*

Sec. 33. Minnesota Statutes 1992, section 10A.31, subdivision 7, is amended to read:

Subd. 7. Within two weeks after certification by the state canvassing board of the results of the general election, the ~~state treasurer board~~ shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Sec. 34. Minnesota Statutes 1992, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [DISTRIBUTION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on ~~by December 7~~ *the amount accumulated in each account since the previous certification. Within one week thereafter By December 15, the board shall certify to the state treasurer the amount to be distributed* distribute to each candidate according

to the allocations as provided in subdivision 5. As soon as practicable thereafter, the state treasurer shall distribute the amounts to which the candidates are entitled in the form of checks made "payable to the campaign fund of(name of candidate)....." Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 35. Minnesota Statutes 1992, section 10A.31, is amended by adding a subdivision to read:

Subd. 12. [UNOPPOSED CANDIDATE NOT ELIGIBLE.] A candidate who is unopposed in both the primary election and the general election is not eligible to receive a public subsidy from the state election campaign fund. The subsidy from the party account the candidate would otherwise have been eligible to receive must be paid to the candidate's political party to be deposited in a special account under section 10A.31, subdivision 5, clause (6) and used for only those items permitted under section 10A.275.

Sec. 36. [10A.312] [PUBLIC MATCHING SUBSIDY.]

Subdivision 1. [ELIGIBILITY.] (a) In addition to the subsidy payable from the state elections campaign fund, the board shall pay a public matching subsidy to a candidate who:

(1) is seeking an office for which voluntary spending limits are specified in section 10A.25;

(2) has designated a principal campaign committee;

(3) has signed and filed with the board an agreement to limit campaign expenditures as provided in section 10A.322 and is abiding by the agreement;

(4) has received contributions that exceed the threshold established by section 10A.323;

(5) has been nominated to appear on the ballot in the general election; and

(6) has submitted to the board the affidavits required by section 10A.323.

(b) A candidate who is unopposed in both the primary election and the general election is not eligible to receive a public matching subsidy under this section.

Subd. 2. [AMOUNT.] The subsidy must be paid in an amount that will match the first \$50 of contributions received from a person eligible to vote in this state, up to a total of 35 percent of the expenditure limits for state senator or representative and up to a total of 25 percent of the expenditure limits for constitutional officers set forth in section 10A.25, subdivision 2, as adjusted for inflation under section 10A.255, except as otherwise provided in this subdivision. The public subsidy under this section may not be paid in an amount that would cause the sum of the public subsidy paid under this section plus the public subsidy paid under section 10A.31 to exceed 50 percent of the expenditure limit for the office.

If a candidate's share of the state election campaign fund is equal to or greater than 50 percent of the spending limit for the office sought by the candidate, the candidate may not apply for a subsidy under this section. The board must determine the candidate's anticipated share of the state election campaign fund based on the certification by the commissioner of revenue

under section 10A.321. If the subsequent certification by the commissioner of revenue under section 10A.31, subdivision 7, indicates that the candidate's share of the state election campaign fund is less than 50 percent of the spending limit for the office sought, the candidate may apply for the public match subsidy by submitting an affidavit by December 1.

Subd. 3. [PAYMENT DATES.] (a) The board shall make the first payment of the public matching subsidy as soon as the board has obtained from the secretary of state the results of the primary election, but in any event no later than one week after certification by the state canvassing board of the results of the primary. The board shall make the second payment by October 1 of the election year, the third payment by October 15 of the election year, the fourth payment by November 15 of the election year, and the final payment by December 15 of the election year.

(b) The amount necessary to make the payments required by this section is appropriated from the general fund to the board.

Sec. 37. Minnesota Statutes 1992, section 10A.315, is amended to read:

10A.315 [SPECIAL ELECTION SUBSIDY.]

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to candidates for the same office at the last general election.

(b) If the filing period for the special election coincides with the filing period for the general election, the candidate must meet the matching requirements of section 10A.323 and the special election subsidy must be distributed in the same manner as money is distributed to legislative candidates in a general election.

(c) If the filing period for the special election does not coincide with the filing period for the general election, the procedures in this paragraph apply. A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. ~~To receive a subsidy, The candidate must meet the matching requirements of section 10A.323, except that the dates in that section do not apply to a special election in which the filing period does not coincide with the filing period for the general election. To the extent feasible, The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.~~

(d) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the state treasurer.

Sec. 38. Minnesota Statutes 1992, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy ~~from the state elections campaign fund~~, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the general election. An agreement may not be signed or ~~rescinded~~ filed after that date. *An agreement once filed may not be rescinded.*

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

Sec. 39. Minnesota Statutes 1992, section 10A.322, subdivision 2, is amended to read:

Subd. 2. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or ~~the day filings open for the next succeeding election to the office held or sought at the time of the agreement~~ *end of the first election cycle completed after the agreement was filed*, whichever occurs first.

Sec. 40. Minnesota Statutes 1992, section 10A.323, is amended to read:

10A.323 [MATCHING REQUIREMENTS.]

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy ~~from the state elections campaign fund under section 10A.31 or 10A.312 a candidate or the candidate's treasurer shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions; including unexpended balances from the year before, equal to 20 percent or more of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state elections campaign fund; from persons eligible to vote in this state in the amount indicated for the office sought, counting only the first \$50 received from each contributor:~~

(1) candidates for governor and lieutenant governor running together, \$35,000;

(2) candidates for attorney general, \$15,000;

(3) candidates for secretary of state, state treasurer, and state auditor, separately, \$6,000;

(4) candidates for the senate, \$3,000; and

(5) candidates for the house of representatives, \$1,500.

To be eligible to receive a public matching subsidy under section 10A.312, the affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state and the total amount of those contributions received, disregarding the portion of any contribution in excess of \$50.

The candidate or the candidate's treasurer shall submit the affidavit required by this ~~subdivision~~ ~~section~~ to the board in writing by ~~October~~ ~~September 1~~ of the general election year to receive the payment based on the results of the primary election, by ~~September 15~~ to receive the payment made ~~October 1~~, by ~~October 1~~ to receive the payment made ~~October 15~~, by ~~November 1~~ to receive the payment made ~~November 15~~, and by ~~December 1~~ to receive the payment made ~~December 15~~.

Sec. 41. Minnesota Statutes 1992, section 10A.324, subdivision 1, is amended to read:

Subdivision 1. [WHEN RETURN REQUIRED.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund *or the public matching subsidy received under section 10A.315*, under the circumstances in ~~paragraph (a), (b), this section or (c)~~ *section 10A.25, subdivision 11.*

(a) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.

(b) To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

(c) ~~Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to exceed the difference between: (1) the amount which legally may be expended by or for the candidate; and (2) the amount the candidate receives from the state elections campaign fund must be returned to the state treasurer, deposited in the state treasury, and credited to the general fund.~~

Sec. 42. Minnesota Statutes 1992, section 10A.324, subdivision 3, is amended to read:

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy ~~received from the state elections campaign fund~~ must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. For purposes of this section, a transfer from ~~one~~ a principal campaign committee to ~~another principal campaign committee~~ ~~or to~~ a political party is considered to be a noncampaign disbursement. *The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned.* Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the

board. The board shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate from the state elections campaign fund.

Sec. 43. Minnesota Statutes 1992, section 10A.324, is amended by adding a subdivision to read:

Subd. 5. [RETURN OF OPPONENT'S PUBLIC SUBSIDY.] If a candidate received an opponent's public subsidy under section 10A.25, subdivision 10, the candidate shall return all or a portion of the opponent's public subsidy if required under subdivision 1. In addition, the candidate shall return all of the opponent's public subsidy to the board if the opponent is not required to file a campaign spending report under section 10A.20 or if the opponent's postelection report due on January 31 indicates that the opponent raised and spent \$1,000 or less during the campaign.

Sec. 44. Minnesota Statutes 1992, section 204B.36, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL CANDIDATES.] The official ballot shall contain the names of all candidates for each judicial office and shall state the number of those candidates for whom a voter may vote. Each seat for an associate justice, associate judge, or judge of the district court must be numbered. The title of each judicial office shall be printed on the official primary and general election ballot as follows:

(a) In the case of the supreme court:

"Chief justice (or associate justice) - supreme court (last name of incumbent) seat";

"Associate justice (number) - supreme court"

(b) In the case of the court of appeals:

"Judge (number) - court of appeals (last name of incumbent) seat"; or

(c) In the case of the district court:

"Judge (number) - (number) district court (last name of incumbent) seat";
or

(d) In the case of the county court:

"Judge - (number) county court (last name of incumbent) seat."

Sec. 45. [211A.12] [CONTRIBUTION LIMITS.]

A candidate may not accept aggregate contributions made or delivered by an individual or committee in excess of \$300 in an election year for the office sought and \$100 in other years; except that a candidate for an office whose territory has a population over 100,000 may not accept aggregate contributions made or delivered by an individual or committee in excess of \$500 in an election year for the office sought and \$100 in other years.

Sec. 46. [211A.13] [PROHIBITED TRANSFERS.]

A candidate for political subdivision office must not accept contributions from the principal campaign committee of a candidate as defined in section 10A.01, subdivision 5. A candidate for political subdivision office must not

make contributions to a principal campaign committee, unless the contribution is made from the personal funds of the candidate for political subdivision office.

Sec. 47. Minnesota Statutes 1992, section 211B.12, is amended to read:

211B.12 [LEGAL EXPENDITURES.]

Use of funds money collected for political purposes is prohibited unless the use is reasonably related to the conduct of election campaigns, or is a noncampaign disbursement as defined in section 10A.01, subdivision 10c. The following are permitted expenditures when made for political purposes:

- (1) salaries, wages, and fees;
- (2) communications, mailing, transportation, and travel;
- (3) campaign advertising;
- (4) printing;
- (5) office and other space and necessary equipment, furnishings, and incidental supplies;
- (6) charitable contributions of not more than \$100 \$50 to any charity annually; and

(7) other expenses, not included in clauses (1) to (6), that are reasonably related to the conduct of election campaigns. In addition, expenditures made for the purpose of providing information to constituents, whether or not related to the conduct of an election, are permitted expenses. *Money collected for political purposes and assets of a political committee or political fund may not be converted to personal use.*

Sec. 48. Minnesota Statutes 1992, section 211B.15, is amended to read:

211B.15 [CORPORATE OR LIMITED LIABILITY POLITICAL CONTRIBUTIONS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them:

(b) "corporation" means:

(1) a corporation organized for profit that does business in Minnesota; ~~this state;~~

(2) a nonprofit corporation that carries out activities in this state; or

(c) "limited liability company" means (3) a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in Minnesota ~~this state.~~

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation or limited liability company may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers, or employees, or members, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate

to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Subd. 3. [INDEPENDENT EXPENDITURES.] A corporation or ~~limited liability company~~ may not make an independent expenditure or offer or agree to make an independent expenditure to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "independent expenditure" means an expenditure that is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Subd. 4. [BALLOT QUESTION.] A corporation or ~~limited liability company~~ may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. A corporation or ~~limited liability company~~ may not make a contribution to a candidate for nomination, election, or appointment to a political office or to a committee organized wholly or partly to promote or defeat a candidate.

Subd. 5. [NEWS MEDIA.] This section does not prohibit publication or broadcasting of news items or editorial comments by the news media.

Subd. 6. [PENALTY FOR INDIVIDUALS.] An officer, manager, stockholder, member, agent, employee, attorney, or other representative of a corporation or ~~limited liability company~~ acting in behalf of the corporation or ~~limited liability company~~ who violates this section may be fined not more than \$20,000 or be imprisoned for not more than five years, or both.

Subd. 7. [PENALTY FOR CORPORATIONS OR LIMITED LIABILITY COMPANIES.] A corporation or ~~limited liability company~~ convicted of violating this section is subject to a fine not greater than \$40,000. A convicted domestic corporation or ~~limited liability company~~ may be dissolved as well as fined. If a foreign or nonresident corporation or ~~limited liability company~~ is convicted, in addition to being fined, its right to do business in this state may be declared forfeited.

Subd. 8. [PERMITTED ACTIVITY; POLITICAL PARTY.] It is not a violation of this section for a political party, as defined in section 200.02, subdivision 7, to form a nonprofit corporation for the sole purpose of holding real property to be used exclusively as the party's headquarters.

Subd. 9. [MEDIA PROJECTS.] It is not a violation of this section for a corporation or ~~limited liability company~~ to contribute to or conduct public media projects to encourage individuals to attend precinct caucuses, register, or vote if the projects are not controlled by or operated for the advantage of a candidate, political party, or committee.

Subd. 10. [MEETING FACILITIES.] It is not a violation of this section for a corporation or ~~limited liability company~~ to provide meeting facilities to a committee, political party, or candidate on a nondiscriminatory and nonpreferential basis.

Subd. 11. [MESSAGES ON PREMISES.] It is not a violation of this section for a corporation or ~~limited liability company~~ selling products or services to the public to post on its public premises messages that promote

participation in precinct caucuses, voter registration, or elections if the messages are not controlled by or operated for the advantage of a candidate, political party, or committee.

Subd. 12. [REPORTS REQUIRED.] The total amount of an expenditure or contribution for any one project permitted by subdivisions 9 and 11 that is more than \$200, together with the date, purpose, and the names and addresses of the persons receiving the contribution or expenditures, must be reported to the secretary of state. The reports must be filed on forms provided by the secretary of state on the dates required for committees under section 211A.02. Failure to file is a misdemeanor.

Subd. 13. [AIDING VIOLATION; PENALTY.] An individual who aids, abets, or advises a violation of this section is guilty of a gross misdemeanor.

Subd. 14. [PROSECUTIONS; VENUE.] Violations of this section may be prosecuted in the county where the payment or contribution was made, where services were rendered, or where money was paid or distributed.

Subd. 15. [NONPROFIT CORPORATION EXEMPTION.] *The prohibitions in this section do not apply to a nonprofit corporation that:*

(1) *cannot engage in business activities;*

(2) *has no shareholders or other persons affiliated so as to have a claim on its assets or earnings; and*

(3) *was not established by a business corporation or a labor union and has a policy not to accept significant contributions from those entities.*

Subd. 16. [EMPLOYEE POLITICAL FUND SOLICITATION.] *Any solicitation of political contributions by an employee must be in writing, informational and nonpartisan in nature, and not promotional for any particular candidate or group of candidates. The solicitation must consist only of a general request on behalf of an independent political committee (conduit fund) and must state that there is no minimum contribution, that a contribution or lack thereof will in no way impact the employee's employment, that the employee must direct the contribution to candidates of the employee's choice, and that any response by the employee shall remain confidential and shall not be directed to the employee's supervisors or managers. Questions from an employee regarding a solicitation may be answered orally or in writing consistent with the above requirements. Nothing in this subdivision authorizes a corporate donation of an employee's time prohibited under subdivision 2.*

Sec. 49. Minnesota Statutes 1992, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair, *after the contribution was received. The receipt forms must be numbered, and*

the data on the receipt that are not public must be made available to the ethical practices board upon its request. A claim must be filed with the commissioner not sooner than January 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to any candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322 or 10A.43;

(2) is seeking an office for which voluntary spending limits are specified in section 10A.25 or 10A.43; and

(3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a congressional candidate as defined in section 10A.41, subdivision 4, or a candidate as defined in section 10A.01, subdivision 5, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the ethical practices board by August 1 of each year a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(f) (g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 50. [REPEALER.]

Minnesota Statutes 1992, sections 10A.27, subdivision 6; 10A.31, subdi-

visions 8 and 9; 488A.021, subdivision 3; and 488A.19, subdivision 2, are repealed.

Sec. 51. [TRANSITION.]

Subdivision 1. [ELECTION CYCLE.] Notwithstanding section 1, the first election cycle begins the day following final enactment of this act and concludes on December 31 following the next general election for the respective offices listed in Minnesota Statutes, section 10A.27, subdivision 1, clauses (a) to (e).

Subd. 2. [CONTRIBUTION LIMITS.] Contributions to a candidate that were made before the effective date of this act and were lawful when made need not be refunded, even though they exceed the new limit on contributions in section 10A.27, subdivision 1.

Subd. 3. [EXPENDITURE LIMITS.] All spending limit agreements filed with the ethical practices board before the effective date of this act become void September 1, 1993, and all eligibility for continued public subsidies under Minnesota Statutes, chapter 10A or 290, is ended on that date. The new expenditure limits and eligibility for a public subsidy under this act apply to candidates who sign and file with the ethical practices board a new spending limit agreement under this act after its effective date.

Subd. 4. [INFLATION FREEZE.] The expenditure limits in Minnesota Statutes 1992, section 10A.25, subdivision 2, must not be adjusted for inflation for the 1994 election year. The inflation adjustment under Minnesota Statutes 1992, section 10A.255, must resume for the 1996 election year, but omitting any inflation attributable to the period between December 1991 and December 1993.

Sec. 52. [EFFECTIVE DATE.]

This act is effective the day following final enactment, except that section 19 is effective December 31, 1993, section 27 is effective June 1, 1993, and sections 45 and 46 are effective January 1, 1994.

Delete the title and insert:

“A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain “friends of” committees; requiring reports by certain solicitors of campaign contributions; limiting certain contributions; changing the judicial ballot; regulating related committees; changing expenditure limits; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public matching subsidy; clarifying filing requirements for candidate agreements and the duration of the agreements; providing for distribution of public subsidies; requiring return of public subsidies under certain conditions; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring certain reports; providing transition language; defining certain terms; clarifying certain language; imposing penalties; appropriating money; amending Minnesota Statutes 1992, sections 10A.01, subdivisions 10b, 10c,

and by adding subdivisions; 10A.04, by adding a subdivision; 10A.065, subdivisions 1 and 5; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.16; 10A.17, subdivisions 4 and 5; 10A.19, subdivision 1; 10A.20, subdivisions 2, 3, and by adding subdivisions; 10A.24, subdivision 1; 10A.25, subdivisions 2, 6, 10, and by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.28, subdivision 2; 10A.31, subdivisions 6, 7, 10, and by adding a subdivision; 10A.315; 10A.322, subdivisions 1 and 2; 10A.323; 10A.324, subdivisions 1, 3, and by adding a subdivision; 204B.36, subdivision 4; 211B.12; 211B.15; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; and 211A; repealing Minnesota Statutes 1992, sections 10A.27, subdivision 6; 10A.31, subdivisions 8 and 9; 488A.021, subdivision 3; and 488A.19, subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Wally Sparby, Harold Lasley, Don Ostrom, Dee Long

Senate Conferees: (Signed) John Marty, William P. Luther, Kevin M. Chandler, Ember D. Reichgott

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on H.F. No. 163 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Johnson, D.J. moved that the recommendations and Conference Committee Report on H.F. No. 163 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

CALL OF THE SENATE

Mr. Laidig imposed a call of the Senate for the balance of the proceedings on H.F. No. 163. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Johnson, D.J.

The roll was called, and there were yeas 29 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Day	Kiscaden	Morse	Runbeck
Benson, D.D.	Dille	Knutson	Neuville	Samuelson
Benson, J.E.	Frederickson	Laidig	Oliver	Stevens
Berg	Johnson, D.E.	Larson	Olson	Terwilliger
Chmielewski	Johnson, D.J.	Lesewski	Pariseau	Vickerman
Cohen	Johnston	McGowan	Robertson	

Those who voted in the negative were:

Adkins	Flynn	Lessard	Novak	Sams
Anderson	Hanson	Luther	Pappas	Solon
Beckman	Hottinger	Marty	Piper	Spear
Berglin	Johnson, J.B.	Merriam	Pogemiller	Stumpf
Bertram	Kelly	Metzen	Price	Wiener
Betzold	Krentz	Moe, R.D.	Ranum	
Chandler	Kroening	Mondale	Reichgott	
Finn	Langseth	Murphy	Riveness	

The motion did not prevail.

The question recurred on the motion of Mr. Marty. The motion prevailed. So the recommendation and Conference Committee Report were adopted.

H.F. No. 163 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 48 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kelly	Mondale	Riveness
Anderson	Dille	Krentz	Morse	Sams
Beckman	Finn	Kroening	Murphy	Samuelson
Berg	Flynn	Langseth	Novak	Solon
Berglin	Hanson	Lessard	Pappas	Spear
Bertram	Hottinger	Luther	Piper	Stumpf
Betzold	Janezich	Marty	Pogemiller	Vickerman
Chandler	Johnson, D.J.	Merriam	Price	Wicner
Chmielewski	Johnson, J.B.	Metzen	Ranum	
Cohen	Johnston	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Johnson, D.E.	Larson	Oliver	Runbeck
Benson, D.D.	Kiscaden	Lesewski	Olson	Stevens
Benson, J.E.	Knutson	McGowan	Pariseau	Terwilliger
Frederickson	Laidig	Neville	Robertson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1245 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1245: A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; proposing classifications of data as not public; classifying certain licensing data, educational data, security service data, motor carrier operating data, retirement data and other forms of data; amending Minnesota Statutes 1992, sections 13.32, subdivisions 1, 3, and 6; 13.41, subdivision 4; 13.43, subdivision 2; 13.46, subdivisions 1, 2, and 4; 13.643; 13.692; 13.72, by adding a subdivision; 13.792; 13.82, subdivisions 4, 6, and 10; 13.99, subdivision 24, and by adding subdivisions; 115A.93, by adding a subdivision; 144.335, subdivision 3a, and by adding a subdivision; 151.06, by adding a subdivision; 169.09, subdivisions 7 and 13; 245A.04, subdivisions 3 and 3a; 260.161, subdivisions 1 and 3; 270B.14, subdivision 1, and by adding a subdivision; 299L.03, by adding a subdivision; and 626.556, subdivisions 11 and 11c; proposing coding for new law in Minnesota Statutes, chapters 6; 13; and 144; repealing Minnesota Statutes 1992, sections 13.644; and 13.82, subdivision 5b.

Ms. Ranum moved to amend H.F. No. 1245, as amended pursuant to Rule 49, adopted by the Senate May 7, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 976.)

Page 15, after line 30, insert:

“Sec. 21. Minnesota Statutes 1992, section 260.161, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual *to another juvenile court that has jurisdiction of the juvenile*, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. ~~The legal~~ *Unless otherwise provided by law, all court records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian. A child over the age of 14, the guardian of a child, or either parent of a child, unless one parent has been awarded sole legal custody, may consent to the release of court records concerning the child. If the court is in doubt as to the custody status of a child, it may require the parent giving consent to provide proof of the custody status.*

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 22. Minnesota Statutes 1992, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children *who are or may be delinquent or who may be engaged in criminal acts* shall be kept separate from records of persons 18 years of age or older and ~~shall not be open to public inspection or their contents disclosed to the public except~~ *are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d).*

Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court *unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10.* Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor. *In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.*

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles ~~in the same manner as juvenile court records and names under this section as private data.~~

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Ranum then moved to amend H.F. No. 1245, as amended pursuant to Rule 49, adopted by the Senate May 7, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 976.)

Page 19, line 17, after the period, insert "*The chair of the hearing panel may not allow a person to be present at the hearing as a supportive person if the person's presence would adversely affect the impartiality of the process, threaten a witness, or evade the confidentiality of the process. A complainant or supportive person may not be present for purposes other than presenting testimony unless the complainant or supportive person agrees not to disclose*

private or confidential data discussed at the hearing. The remedies and penalties in sections 13.08 and 13.09 apply to a violation of this agreement by the complainant or supportive person.

CALL OF THE SENATE

Ms. Ranum imposed a call of the Senate for the balance of the proceedings on H.F. No. 1245. The Sergeant at Arms was instructed to bring in the absent members.

Without objection, Mr. McGowan was excused from voting on the Ranum amendment.

The question was taken on the adoption of the Ranum amendment.

The roll was called, and there were yeas 17 and nays 46, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Marty	Piper	Wiener
Berglin	Flynn	Merriam	Pogemiller	
Betzold	Johnson, J.B.	Morse	Ranum	
Cohen	Kelly	Pappas	Spear	

Those who voted in the negative were:

Adkins	Dille	Krentz	Neuville	Sams
Beckman	Frederickson	Kroening	Novak	Samuelson
Belanger	Hanson	Laidig	Oliver	Stevens
Benson, D.D.	Hottinger	Langseth	Olson	Stumpf
Benson, J.E.	Janezich	Larson	Pariseau	Terwilliger
Berg	Johnson, D.E.	Lesewski	Price	Vickerman
Bertram	Johnson, D.J.	Lessard	Reichgott	
Chandler	Johnston	Luther	Riveness	
Chmielewski	Kiscaden	Mondale	Robertson	
Day	Knutson	Murphy	Runbeck	

The motion did not prevail. So the amendment was not adopted.

Mr. Laidig moved to amend H.F. No. 1245, as amended pursuant to Rule 49, adopted by the Senate May 7, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 976.)

Pages 17 to 19, delete section 25

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 22, Mr. McGowan moved that he be excused from voting on the Laidig amendment. The motion prevailed.

The question was taken on the adoption of the Laidig amendment.

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Mondale	Robertson
Beckman	Frederickson	Krentz	Murphy	Runbeck
Belanger	Hanson	Kroening	Neuville	Sams
Benson, D.D.	Hottinger	Laidig	Novak	Samuelson
Benson, J.E.	Janezich	Langseth	Oliver	Stevens
Berg	Johnson, D.E.	Larson	Olson	Stumpf
Bertram	Johnson, D.J.	Lesewski	Pariseau	Terwilliger
Chmielewski	Johnston	Lessard	Reichgott	Vickerman
Day	Kiscaden	Luther	Riveness	

Those who voted in the negative were:

Anderson	Cohen	Marty	Pappas	Spear
Berglin	Finn	Merriam	Piper	Wiener
Betzold	Flynn	Moe, R.D.	Pogemiller	
Chandler	Johnson, J.B.	Morse	Ranum	

The motion prevailed. So the amendment was adopted.

H.F. No. 1245 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Moe, R.D.	Ranum
Anderson	Dille	Knutson	Mondale	Reichgott
Beckman	Finn	Krentz	Morse	Riviness
Belanger	Flynn	Kroening	Murphy	Robertson
Benson, D.D.	Frederickson	Laidig	Neuville	Runbeck
Benson, J.E.	Hanson	Langseth	Novak	Sams
Berg	Hottinger	Larson	Oliver	Samuelson
Berglin	Janezich	Lesewski	Olson	Spear
Bertram	Johnson, D.E.	Lessard	Pappas	Stevens
Betzold	Johnson, D.J.	Luther	Pariseau	Stumpf
Chandler	Johnson, J.B.	Marty	Piper	Terwilliger
Chmielewski	Johnston	McGowan	Pogemiller	Vickerman
Cohen	Kelly	Merriam	Price	Wiener

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 1613. The motion prevailed.

S.F. No. 1613 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1613

A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

May 7, 1993

The Honorable Allan H. Spear
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1613, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 1613 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [COMMUNITY DEVELOPMENT; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures “1993,” “1994,” and “1995,” where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1993	1994	1995	TOTAL
General	\$541,000	\$181,368,000	\$158,594,000	\$340,503,000
Environmental		434,000	434,000	868,000
Trunk Highway		667,000	667,000	1,334,000
Workers' Comp.		21,976,000	15,663,000	37,639,000
TOTAL	541,000	204,445,000	175,358,000	380,344,000

APPROPRIATIONS Available for the Year Ending June 30

	1993	1994	1995
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT			
Subdivision 1. Total Appropriation	\$ 500,000	\$ 40,504,000	\$ 24,461,000

Summary by Fund

General	39,627,000	23,584,000
Environmental	210,000	210,000
Trunk Highway	667,000	667,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Community Development

24,288,000	8,828,000
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\$50,000 is for the purposes of the youth entrepreneurship education program to be available until June 30, 1995. \$30,000 is for a teacher training program. \$20,000 is for creation of a resource center and revolving loan fund. This appropriation is only available as matched, dollar for dollar, by contributions from nonstate sources. Contributions may be made in kind.

\$1,000,000 the first year is for transfer to the tourism loan account in the special revenue fund for the tourism loan program under Minnesota Statutes, section 116J.617.

\$100,000 the first year and \$100,000 the second year is for the affirmative enterprise program. The appropriation is available until expended.

\$50,000 the first year and \$50,000 the second year is for making grants and entering contracts under Minnesota Statutes, section 116J.982.

\$25,000 the first year is for concentrated area action plans.

\$6,000,000 the first year is for transfer to the revolving loan fund account in the special revenue fund for the urban challenge grant program under Minnesota Statutes, section 116M.18.

\$6,000,000 the first year is for transfer to the regional revolving loan fund account in the special revenue fund for the challenge grant program to regional organizations under Minnesota Statutes, section 116N.08.

\$5,517,000 the first year and \$5,517,000 the second year are for economic recovery grants, of which \$500,000 may be used for the purposes of the capital access program.

\$226,000 the first year and \$226,000 the second year are for the small cities federal match.

\$500,000 the first year is for transfer to the capital access account in the special revenue fund for the capital access program under Minnesota Statutes, section 116J.876.

Subd. 3. Minnesota Trade Office

2,026,000 2,040,000

\$105,000 the first year and \$105,000 the second year are for the foreign international information network.

Subd. 4. Tourism

7,272,000 6,742,000

Summary by Fund

General	6,605,000	6,075,000
Trunk Highway	667,000	667,000

To develop maximum private sector involvement in tourism, \$2,000,000 the first year and \$2,000,000 the second year of the amounts appropriated for marketing activities are contingent upon receipt of an equal contribution of nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions. This appropriation may not be expended until the money is matched.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

Any unexpended funds from general fund appropriations made under this subdivision shall not cancel but shall be placed in a special advertising account for use by the office of tourism to purchase additional media.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

\$30,000 the first year is for the international ringette tournament to be held in South St. Paul and Rosemount in 1994.

Up to \$300,000 the first year is for promoting the women's final four basketball tournament to be held in 1995. This

appropriation must be matched by non-state sources on a one-to-one basis.

\$200,000 is for tourism promotion and marketing.

\$214,000 the first year and \$214,000 the second year are for the Minnesota film board. This appropriation is available only upon receipt by the board of \$1 in matching contributions of money or in-kind from nonstate sources for every \$3 provided by this appropriation.

\$25,000 each year is for the Lake Superior Center Authority.

Of the amount appropriated for the joint venture program, up to \$30,000 the first year and up to \$30,000 the second year are available to the Minnesota Indian tourism association. This appropriation must be matched by nonstate sources on a one-to-one basis.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the joint venture grant program.

The office of tourism shall: (1) analyze what travel offices of the 50 states and selected foreign governments are doing to promote tourism, including but not limited to organizational structure, funding sources, and marketing programs; and (2) rank Minnesota's position among the states and countries studied. The office, in consultation with representatives of Minnesota's tourism industry, shall report to the legislature and the governor by January 1, 1994. The report must recommend options for improving the state's competitive position in the industry. The recommendations should deal with assignment of responsibility within state government, funding options for the office of tourism, changes in state law that would enhance tourism, and the creation of a statewide tourism policy.

The commissioner of revenue may disclose the name, address, and phone number of a travel or tourism related business that is authorized to collect sales and use tax to the office of tourism within the department of trade and economic devel-

opment to be used only within the office of tourism for purposes of contacting travel or tourism related businesses.

Subd. 5. Business Development and Analysis

500,000 5,157,000 5,077,000

Summary by Fund

General	500,000	4,947,000	4,867,000
Environmental		210,000	210,000

\$200,000 the first year and \$200,000 the second year are for grants to Advantage Minnesota, Inc. The funds are available only if matched on at least a dollar-for-dollar basis from other sources. The commissioner may release the funds only upon:

(1) certification that matching funds from each participating organization are available; and

(2) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$450,000 the first year and \$450,000 the second year are for the state's match for the federal small business development centers. If funding in one year is insufficient, the other year's appropriation is available.

\$1,088,000 each year is for job skills partnership grants.

\$190,000 the first year and \$190,000 the second year are for WomenVenture, Inc.

\$65,000 the first year and \$65,000 the second year are for Metropolitan Economic Development Associations, Inc.

\$500,000 in fiscal year 1993 is for job skills partnership grants.

\$25,000 in fiscal year 1994 and \$25,000 in fiscal year 1995 are for a grant to the North Metro Business Retention and Development Commission for the second and third stages of the multicomunity business retention and market expansion pilot project. This appropriation is available only upon demonstration of a dollar-

for-dollar cash match from the commission. The commission shall share all results and written reports with the department of trade and economic development.

Subd. 6. Administration

1,761,000 1,774,000

Sec. 3. MINNESOTA TECHNOLOGY, INCORPORATED

7,832,000 7,834,000

\$5,198,000 the first year and \$5,198,000 the second year are for transfer from the general fund to the Minnesota Technology, Inc. fund.

\$494,000 the first year and \$ 494,000 the second year are for grants to Minnesota Project Innovation.

\$947,000 the first year and \$947,000 the second year are for grants to Minnesota Project Outreach.

\$71,000 the first year and \$71,000 the second year are for grants to Minnesota Inventors Congress.

\$947,000 the first year and \$947,000 the second year are for grants to Natural Resources Research Institute.

\$88,000 the first year and \$88,000 the second year are for grants to Minnesota Council for Quality.

\$50,000 the first year and \$50,000 the second year are for grants to Minnesota High Tech Corridor Corporation.

\$75,000 the first year and \$75,000 the second year are for grants to Cold Weather Research Center.

Sec. 4. MINNESOTA WORLD TRADE CENTER CORPORATION

200,000

This appropriation is to pay the accrued operating costs and debt services, including principal and interest, of the corporation. This appropriation in no way constitutes a commitment or obligation by the state of Minnesota to make any payments on obligations of the corporation outstanding as of July 1, 1993. This section is intended to make it clear that the state of Minnesota is not and never has

been nor will be responsible for the obligations of the corporation.

This appropriation and money in the corporation accounts are the only money available to the board to make any payment of an obligation of the corporation.

This appropriation is available until June 30, 1995. Balances in the world trade center corporation account in the special revenue fund on June 30, 1995, shall be transferred to the general fund.

Sec. 5. JOBS AND TRAINING	48,879,000	46,895,000
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Subdivision 1. Rehabilitation Services

17,612,000	17,612,000
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Of this appropriation, \$100,000 in each year is for a cost-of-living adjustment in the Extended Employment Services program in order to maintain the current caseload to the extent possible within this appropriation.

For the biennium ending June 30, 1995, at least 38 percent of the vocational rehabilitation activity budget must be directed toward grants, which are budgeted as aid to individuals and local assistance categories of expense.

The commissioner shall apply for all available federal grants for services to handicapped including funds for the independent living center.

Subd. 2. State Services for the Blind

3,588,000	3,605,000
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This appropriation may be supplemented by funds provided by the Friends of the Communication Center, for support of Services for the Blind's Communication Center which serves all blind and visually handicapped Minnesotans. The commissioner shall report to the legislature on a biennial basis the funds provided by the Friends of the Communication Center.

Subd. 3. Job Service

\$100,000 is appropriated to the commissioner of jobs and training for the biennium ending June 30, 1995, for the uniform business identifier study.

Subd. 4. Community Services

27,579,000 25,678,000

\$880,000 is appropriated from the general fund to the commissioner of jobs and training for operating costs of transitional housing programs under Minnesota Statutes, section 268.38. Of this appropriation, \$440,000 is for the first year and \$440,000 is for the second year.

\$4,200,000 for the first year and \$5,550,000 for the second year is appropriated from the general fund to the commissioner of the department of jobs and training for Minnesota economic opportunity grants to community action agencies. This appropriation is to replace federal funds that are no longer available to community action agencies because of new federal restrictions on the authority to transfer block grant money from the federal Low-Income Home Energy Assistance program to the federal Community Services Block grant.

For the biennium ending June 30, 1995, the commissioner shall transfer to the low-income home weatherization program at least five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1995, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

Of the money appropriated for the summer youth employment programs for fiscal year 1994, \$750,000 is immediately available. Any remaining balance of the

immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,054,000 in the first year and \$2,303,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, \$5,554,000 the first year and \$2,303,000 the second year are for summer youth employment programs.

Of this appropriation, \$100,000 is to train and certify community action agency weatherization programs to comply with the requirements of Minnesota Statutes, section 144.878, subdivision 5. Of this appropriation, \$400,000 is to be used for swab teams with priority to be given to those swab teams in greater Minnesota which are affiliated with community action agencies and to those swab teams in cities of the first class which are affiliated with community action agencies or neighborhood-based nonprofit organizations. 3.75 percent of the allocation may be used for administrative costs. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Of this appropriation, \$1,200,000 is for the food shelf program.

Of this appropriation, \$400,000 is for youth employment and for housing for the homeless through the YOUTHBUILD program.

Of the appropriation for the Minnesota economic opportunity grant, the commissioner may use up to nine percent each year for state operations.

Of the appropriation for Head Start, the commissioner of the department of jobs and training may use up to two percent each year for state operations.

Sec. 6. HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation	21,282,000	17,532,000
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This appropriation is for transfer to the housing development fund for the programs specified.

Any state appropriations used to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, must be repaid, to the extent required by federal law, to the HOME Investment Trust Fund established by the department of housing and urban development pursuant to Title II of the National Affordable Housing Act of 1990 for the state of Minnesota or for the appropriate participating jurisdiction.

State appropriations to the Minnesota housing finance agency may be granted by the agency to cities or nonprofit organizations to the extent necessary to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, provided that other program requirements are met.

Spending limit on cost of general administration of agency programs:

1994	1995
8,990,000	9,305,000

\$1,250,000 the first year and \$1,250,000 the second year are for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.21, subdivision 8c. This appropriation includes \$50,000 in each year for the mental illness crisis housing assistance account.

\$250,000 the first year and \$250,000 the second year are for the home sharing program under Minnesota Statutes, section 462A.05, subdivision 24.

\$3,443,000 the first year and \$3,493,000 the second year are for the affordable rental investment fund program. Affordable rental investment assistance includes loans, credit enhancement, and coinsurance participation.

\$550,000 the first year and \$550,000 the second year are for the acquisition, rehabilitation, or construction of transitional housing units.

\$2,000,000 the first year and \$2,000,000 the second year are for the community rehabilitation fund program.

\$100,000 the first year and \$100,000 the second year are for the capacity building grant program under Minnesota Statutes, section 462A.21, subdivision 3b.

\$187,000 the first year and \$187,000 the second year are for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15.

\$1,683,000 the first year and \$1,683,000 the second year are for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14.

\$186,000 the first year and \$186,000 the second year are for the Minnesota rural and urban homesteading program under Minnesota Statutes, section 462A.057.

The agency may use up to \$1,000,000 of available resources for the purpose of making loans under the Minnesota rural and urban homesteading program established under Minnesota Statutes, section 462A.057, subdivision 1. The commissioner shall report to the relevant finance divisions in the house of representatives and senate on the outcomes of this program January 15 of each year.

\$4,287,000 the first year and \$4,287,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivision 14a.

Of this appropriation, \$1,798,000 the first year and \$1,798,000 the second year are for the Housing Trust Fund to be deposited in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section.

\$1,500,000 the first year and \$1,500,000 the second year are for the rent assistance for family stabilization program under Minnesota Statutes, section 462A.205.

\$40,000 the first year and \$40,000 the second year are for a grant to the Minnesota Housing Partnership to be used for grants to the regional housing network organizations that provide housing and homeless prevention information and assistance in greater Minnesota. The regional housing network organizations must use any grant funds received under this section to match private sources of money.

Of this appropriation, \$3,750,000 is for family homeless prevention and assistance program.

Of this appropriation, \$183,000 each year is for the emergency mortgage foreclosure prevention and emergency rental assistance program.

Of this appropriation, \$25,000 each year is for home equity counseling grants.

Of this appropriation, \$50,000 is for a grant to the Northwest Hennepin Human Services Council for a human services enterprise zone demonstration project for coordinated delivery of social services. The pilot project must design a program to:

- (1) establish a zone by setting service delivery boundaries;
- (2) assess barriers to coordinated delivery of housing assistance, health services, family services, and related human service assistance;
- (3) develop methods to simplify service delivery and encourage collaboration among service providers;
- (4) develop cooperative service agreements between agencies and units of government, including municipal, county, state, and federal government units and agencies, school districts, post-secondary education institutions, and other service providers including representatives of organized labor;
- (5) seek waivers of regulations that are barriers to cooperation; and
- (6) evaluate the human service enterprise zone to determine how it may be adapted

to serve as a model for the delivery of human services.

By February 1, 1994, the grantee shall prepare an interim report for the agency with findings and recommendations on program design. The agency shall report to the legislature by December 1, 1995, on the implementation of the demonstration project to develop a model human services enterprise zone.

Sec. 7. COMMERCE

Subdivision 1. Total Appropriation	14,418,000	14,438,000
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Summary by Fund

General	13,867,000	13,886,000
Environmental	224,000	224,000
Special Revenue	327,000	328,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations

5,954,000	6,089,000
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Subd. 3. Registration and Analysis

2,661,000	2,523,000
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Subd. 4. Petroleum Tank Release Cleanup Board

224,000	224,000
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This appropriation is from the petroleum tank release cleanup account in the environmental fund for administration.

Subd. 5. Administrative Services

2,139,000	2,173,000
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Subd. 6. Enforcement and Licensing

3,440,000	3,429,000
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Summary by Fund

General	3,113,000	3,101,000
Special Revenue	327,000	328,000

\$327,000 the first year and \$328,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34,

subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

**Sec. 8. NON-HEALTH-RELATED
BOARDS**

Subdivision 1. Total for this section	1,247,000	1,232,000
Subd. 2. Board of Accountancy	466,000	474,000
Subd. 3. Board of Architecture, Engineering, Land Surveying, Landscape Architecture, and Interior Design	591,000	568,000
Subd. 4. Board of Barber Examiners	126,000	126,000
Subd. 5. Board of Boxing	64,000	64,000

Sec. 9. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	26,024,000	19,710,000
Summary by Fund		

General	4,048,000	4,047,000
Workers' Compensation	21,976,000	15,663,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Workers' Compensation Regulation and Enforcement

14,961,000 9,410,000

Summary by Fund

General	100,000	100,000
Workers' Comp.	14,861,000	9,310,000

\$5,000,000 the first year from the special compensation fund is for the Daedalus imaging systems project. This appropriation must not be allotted until the commissioner certifies that all information policy office requirements for this project have been met or will be met. This appropriation is available for either year of the biennium.

\$100,000 in the first year and \$100,000 in the second year are for grants to the Vinland Center for rehabilitation service.

Fee receipts collected as a result of providing direct computer access to public workers' compensation data on file with

the commissioner must be credited to the general fund.

Subd. 3. Workplace Services

5,455,000 4,744,000

Summary by Fund

General	2,704,000	2,703,000
Workers' Comp.	2,751,000	2,041,000

This appropriation includes the transfer of the industrial hygiene activity from the department of health. The appropriation for this activity is from the special compensation fund.

\$710,000 the first year from the special compensation fund is for litigation of alleged ergonomic violations cases under the occupational safety and health act (OSHA). This appropriation is available for either year of the biennium.

Subd. 4. General Support

5,608,000 5,556,000

Summary by Fund

General	1,244,000	1,244,000
Workers' Compensation	4,364,000	4,312,000

\$204,000 the first year and \$204,000 the second year are for labor education and advancement program grants.

Sec. 10. PUBLIC UTILITIES COMMISSION

41,000 3,371,000 3,071,000

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

\$282,000 the first year and \$35,000 the second year are for an electronic storage and retrieval system. This appropriation

must not be allotted until the chair of the commission certifies that all information policy office requirements for this project have been met or will be met. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$30,000 the first year is for transfer to the extended area service balloting account in the special revenue fund.

\$41,000 of this appropriation is added to the appropriation in Laws 1991, chapter 233, section 10, and is for extended area service balloting costs.

Sec. 11. PUBLIC SERVICE

Subdivision 1. Total Appropriation	9,090,000	8,950,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Telecommunications

730,000	752,000
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Subd. 3. Weights and Measures

2,948,000	2,845,000
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Subd. 4. Information and Operations Management

1,540,000	1,440,000
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\$84,000 the first year is for an electronic imaging system. This appropriation must not be allotted until the commissioner certifies that all of the information policy office requirements for this project have been met or will be met. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Energy

3,872,000	3,913,000
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\$588,000 the first year and \$588,000 the second year are for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential oil-fired heating plants in low-income households, and when neces-

sary, to provide weatherization services to the homes.

\$220,000 the first year and \$220,000 the second year are for transfer to the energy and conservation account established by Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential liquified petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

Of this appropriation, \$284,000 in the first year and \$326,000 in the second year are for alternative energy engineering activities. In employing persons to perform these activities, the department shall first offer any positions to persons previously employed by the department of public service during fiscal year 1993 in that capacity. No part of this appropriation may be used for outside consulting.

Subd. 6. Rental Energy Loan and Rebate Program Appropriation

All money, including interest and loan repayments, remaining from the Exxon Oil overcharge money appropriated to the commissioner of public service by Laws 1988, chapter 686, article 1, section 38, that was allocated to the Minnesota housing finance agency is reappropriated to the commissioner for the purposes of this subdivision and is available until spent.

\$1,600,000 is for a contract with an appropriate nonprofit organization, without public bidding, to provide revolving loan funds for a rental energy loan program in metropolitan counties as defined in Minnesota Statutes, section 473.121, subdivision 4. The program is to be marketed and delivered in coordination with other energy services.

The balance is for any purpose consistent with the state energy conservation program.

Sec. 12. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

18,200,000

17,996,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Public Programs and Operations	11,188,000	11,188,000
Subd. 3. Statewide Outreach	597,000	557,000

\$48,000 the first year and \$48,000 the second year are for historic site grants to encourage local historic preservation projects.

\$27,000 the first year and \$27,000 the second year are for the state archaeology function.

\$40,000 is for grant-in-aid purposes of the St. Anthony Falls Heritage Board in accordance with Minnesota Statutes, section 138.763. Grants may be made for public improvements to assist and provide information to the public and construct historic markers and monuments. The matching requirements for the grants may be established by the St. Anthony Falls Heritage Board.

Subd. 4. Repair and Replacement	430,000	430,000
Subd. 5. Physical Plant	5,559,000	5,568,000
Subd. 6. Fiscal Agent	426,000	253,000

(a) Sibley House Association

88,000	88,000
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This appropriation is available for operation and maintenance of the Sibley house and related buildings on the Old Mendota state historic site owned by the Sibley house association.

(b) Minnesota International Center

50,000	50,000
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(c) Minnesota Military Museum

29,000

(d) Minnesota Air National Guard
Museum

19,000

(e) Institute for Learning and Teaching

90,000 90,000

This appropriation is for Project 120.

(f) Moose Lake Fire and Heritage
Museum

25,000

This appropriation is for a grant to the Carlton county historical society to be used by the Onanegozie resource conservation and development council for the development of the Moose Lake Fire and Heritage Museum. This appropriation may not be spent unless it is matched by an equal amount from local sources. The legislature intends that no further direct appropriation will be made for this purpose.

(g) Cloquet-Moose Lake Forest Fire
Center

50,000

(h) Nurse Statue

50,000

This appropriation is for a grant to the Marine Corps Coordinating Council for the nurse statue to be located in the atrium of the Veterans Affairs Medical Center in Minneapolis. This appropriation is available until June 30, 1995.

(i) Farmamerica

25,000 25,000

Notwithstanding any other law, this appropriation may be used for operational purposes.

(j) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 13. MINNESOTA HUMANITIES
COMMISSION

261,000 261,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 14. BOARD OF THE ARTS

Subdivision 1. Total Appropriation	6,254,000	6,254,000
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Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Subd. 2. Operations and Services	669,000	669,000
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Subd. 3. Grants Program	4,295,000	4,295,000
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Subd. 4. Regional Arts Councils	1,290,000	1,290,000
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Sec. 15. MINNESOTA MUNICIPAL BOARD	319,000	280,000
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Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Sec. 16. UNIFORM LAWS COMMISSION	25,000	25,000
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Sec. 17. COUNCIL ON BLACK MINNESOTANS	226,000	225,000
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Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

Sec. 18. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE	249,000	248,000
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During the biennium ending June 30, 1995, council publications may contain advertising. Receipts from advertising are appropriated to the council for purposes of council publications.

For the biennium ending June 30, 1995, the council shall report to the legislature on the revenues and expenditures from advertising by February 15 each year.

Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

By November 15, 1993, the council shall submit a financially related audit to the legislature for the most recent two years and a study of the internal control struc-

ture performed by an independent accountant licensed by the state of Minnesota.

Sec. 19. COUNCIL ON ASIAN-PACIFIC MINNESOTANS

201,000 200,000

Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

Sec. 20. INDIAN AFFAIRS COUNCIL

473,000 457,000

For the biennium ending June 30, 1995, federal money received for the Indian affairs council is appropriated to the council and added to this appropriation.

Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

Of this appropriation, \$15,000 in the first year is for planning the development of culturally appropriate legal services to indigent clients or tribal representatives who reside in Hennepin county and are involved in a case governed by the Indian Child Welfare Act, United States Code, title 25, section 1901, et seq., or the Minnesota Indian family preservation act, Minnesota Statutes 1992, sections 257.35 to 257.3579. This appropriation is available until expended.

Sec. 21. SECRETARY OF STATE

Subdivision 1. Total Appropriation

5,283,000 5,188,000

The amounts that may be spent from this appropriation for each activity are specified in the following subdivisions.

Subd. 2. Administration

804,000 804,000

Subd. 3. Operations

4,046,000 3,964,000

Subd. 4. Election Administration

433,000 420,000

Sec. 22. ETHICAL PRACTICES BOARD

434,000 429,000

Sec. 23. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this act to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [CONSTITUTIONAL OFFICERS.] A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on ways and means of the house of representatives before making a transfer under subdivision 1.

Subd. 3. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 24. [BASE CUT TRANSFERS.]

For any agency assigned base cuts in this act, the proportion of agency base cuts for pass-through grants compared to total agency base cuts may not exceed the proportion of dollars appropriated for pass-through grants in the agency compared to total dollars appropriated to that agency.

Sec. 25. [LABOR INTERPRETIVE CENTER; INITIAL BOARD OF DIRECTORS.]

Of the initial appointments to the labor interpretive center board, two members appointed by the governor and the member appointed by the mayor of St. Paul must have two-year initial terms. The initial board of directors must be appointed no later than August 1, 1993.

Sec. 26. [LABOR INTERPRETIVE CENTER; TRANSFER OF APPROPRIATIONS.]

Subdivision 1. [UNENCUMBERED BALANCE.] The unencumbered balance of the appropriation for the labor interpretive center project transferred to the capitol area architectural and planning board in Laws 1991, chapter 345, is transferred to the labor interpretive center account.

Subd. 2. [PROJECT AUTHORIZED BY 1990 LEGISLATURE.] The appropriation in Laws 1990, chapter 610, article 1, section 16, subdivision 4, is transferred to the labor interpretive center account.

Sec. 27. [TRANSFER OF POWERS.]

The powers and duties of the board of abstracters under Minnesota Statutes, sections 386.61 to 386.76 are transferred to the commissioner of commerce. Minnesota Statutes, section 15.039, subdivisions 1 to 6, apply to this transfer.

Sec. 28. [REVISOR INSTRUCTION.]

The revisor shall change the terms "board," "executive secretary," "board of abstracters," or similar terms to "commissioner," "commissioner

of commerce," or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules with respect to the board of abstractors.

Sec. 29. [CONCENTRATED RESIDENTIAL AREA ACTION PLANS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to section 30.

Subd. 2. [CITY.] "City" means a home rule charter or statutory city having no less than 30 percent of its households in renter-occupied residential units as reported in the latest decennial federal census.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.

Subd. 4. [CONCENTRATED RESIDENTIAL AREA.] "Concentrated residential area" means an area of a city that contains the following:

- (1) 50 percent of the residential units in the area are renter occupied;*
- (2) not less than half of the residential buildings in the area were built prior to 1970;*
- (3) at least 20 percent of the city's population according to the latest decennial federal census lives in the area;*
- (4) at least three percent of the city's land area is contained in the area; and*
- (5) the median household income for the area is not more than 80 percent of the county median income.*

Sec. 30. [CONCENTRATED RESIDENTIAL AREA ACTION PLAN.]

Subdivision 1. [CRITERIA.] For a concentrated residential area a city, with the assistance provided in this section, shall prepare a plan that at a minimum includes the following:

- (1) the demographic and socioeconomic profile of the area's population and a statement of the social needs of the area's residents;*
- (2) the condition of private owner-occupied and renter-occupied buildings;*
- (3) the vacancy rate and turnover rate of the rental residential buildings;*
- (4) the presence of and condition of the area's public facilities;*
- (5) the redevelopment objectives of the city for the area;*
- (6) the specific activities or means by which the city could implement the revitalization objectives;*
- (7) strategies to preserve existing housing;*
- (8) strategies to assist low- and moderate-income households to achieve self-sufficiency and meet their identified social needs;*
- (9) recommendations to the commissioner to facilitate the preservation, reuse, and rehabilitation of the area's housing stock and to increase the self-sufficiency of the area's residents; and*
- (10) identification of the process that involved the area's residents in the development of the plan.*

Subd. 2. [GRANTS.] The commissioner may make grants to cities to complete a concentrated residential neighborhood action plan. The state funds for each grant must be equally matched by city matching money. Matching money may include money from the city general fund, a special fund, grant, or other source.

Subd. 3. [REPORT.] The commissioner shall submit recommendations related to concentrated residential area action plans to the legislature by February 15, 1994.

Sec. 31. [UNIFORM BUSINESS IDENTIFIER STUDY.]

Subdivision 1. [FINDINGS.] The current registration process requires each business to deal with multiple agencies, provide redundant information to each and, in general, creates an undue administrative burden on Minnesota businesses. Each agency also produces data that is not easily transferred among state agencies, which in turn results in businesses being asked for the same information from a number of different agencies. The establishment of a uniform process would reduce the burden on businesses and promote the sharing of information among the state agencies, thereby eliminating the costs and burdens of duplicative information gathering and storage.

Subd. 2. [STUDY.] The commissioner of jobs and training shall study the feasibility of establishing a uniform business identifier process for all firms doing business with and within the state.

The proposed study shall:

- (1) identify and document the various requirements with which businesses currently must comply in order to legally conduct business within the state;*
- (2) propose and analyze alternatives for a uniform process of business registration, including a single statewide account number, a unified application form, and an integrated data processing system or systems;*
- (3) detail the operational impact of installing the process or system;*
- (4) estimate the costs and benefits, both for the state and for Minnesota businesses, of installing the process;*
- (5) prepare an estimated implementation timetable;*
- (6) recommend the structure and composition of the project needed for implementation; and*
- (7) recommend and analyze the information system technology alternatives, if any, that will be needed to implement the recommended process.*

The commissioner of the department of jobs and training, or a designee, shall be the chair of the study and shall provide staff to assist in the study effort. Those state offices, departments, and agencies that interact with Minnesota businesses including, but not limited to, department of jobs and training, secretary of state, department of revenue, department of labor and industry, department of commerce, and the information policy office of the department of administration shall cooperate in this study.

Sec. 32. [WORLD TRADE CENTER CORPORATION BOARD; TERMS.]

The terms of the following members of the world trade center corporation board of directors expire on June 30, 1993: (1) legislator members; and (2) members serving on June 30, 1993, who were appointed by the governor for a six-year term.

Sec. 33. [WORLD TRADE CENTER; MEDICAL EXPOSITION.]

The \$500,000 appropriation to the department of trade and economic development for transfer to the World Trade Center Corporation made by Laws 1991, chapter 345, article 1, section 23, is to establish an annual medical exposition, trade fair, and health care congress to commence either in 1993 or 1994. The event need not be coordinated and held in conjunction with the World Health Organization's annual international conference on children's health care to commence in Minnesota in 1993.

Sec. 34. [LIMIT ON ASSESSMENTS.]

The department of public service may not assess more than \$584,000 in fiscal year 1994 and \$626,000 in fiscal year 1995 for alternative energy engineering activities.

Sec. 35. Minnesota Statutes 1992, section 3.30, subdivision 2, as amended by Laws 1993, chapter 4, section 2, is amended to read:

Subd. 2. [MEMBERS; DUTIES.] The majority leader of the senate or a designee, the chair of the senate committee on finance, and the chair of the senate division of finance responsible for overseeing the items being considered by the commission, the speaker of the house of representatives or a designee, the chair of the house committee on ways and means, and the chair of the *appropriate finance committee, or division of the house committee* responsible for overseeing the items being considered by the commissioner, constitute the legislative advisory commission. The division chair of the finance committee in the senate and the division chair of the *appropriate finance committee or division* in the house shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house rules committee, and by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of finance shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of finance shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item, ~~except that a recommendation under section 298.2213, subdivision 4, or 298.296, subdivision 1, need only be signed by a majority of the members entitled to vote on the item.~~

Sec. 36. Minnesota Statutes 1992, section 15.38, is amended by adding a subdivision to read:

Subd. 9. [SIBLEY HOUSE.] The Sibley House association may purchase fire, wind, hail, and vandalism insurance and insurance coverage for fine art objects from state appropriations.

Sec. 37. Minnesota Statutes 1992, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, ~~herein~~ called the area in *this subdivision*, which ~~shall initially consist~~ consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. *If construction of the labor, interpretive center does not commence prior to December 31, 1996, at the site recommended by the board, the boundaries of the capitol area revert to their configuration as of 1992.* Pursuant to Under the comprehensive plan, or any a portion thereof of it, the board may regulate, by means of zoning rules adopted pursuant to under the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural

integrity of the area. No person shall *may* undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when they request it requests reports for their its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall *may* be built or altered on any public lands within the area unless the plans for the same conforms project conform to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall *must* show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall *may* be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, which that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such A competition shall *must* be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota, and the board may award one or more premiums in each such competition and may pay such the costs and fees as that may be required for the its conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such the plans have been considered by the advisory committee described in clause paragraph (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board shall *may* not adopt any plan under clause paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have

been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall *may* not be contestants under clause (e). The comments and criticism shall *must* be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose,

(1) the committee shall *must* be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the ~~same~~ data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any such data prepared by any public employee or agency shall *must* be filed with the board promptly upon completion;

(2) The board may employ such stenographic or technical help as *that* may be reasonable to assist the committee to perform its duties;

(3) When so directed by the board, the committee may serve as, and any member or members thereof of the committee may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee; and.

(4) The city of Saint Paul shall advise the board.

(g) The comprehensive plan for the area shall *must* be developed and maintained in close cooperation with the commissioner of trade and economic development and, the planning department and the council for the city of Saint Paul, and the board of the arts, and no such plan or amendment thereof shall of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be under this paragraph are binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall do not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the

area described in this section, and it ~~shall~~ *may* also ~~have the power to~~ acquire an interest less than a fee simple interest in the property, if it finds that ~~it the~~ *the property* is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and ~~acts amendatory thereof~~ *amendments to it*.

(l) The board shall meet at the call of the chair and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which ~~such a part as that~~ the commissioner of administration and commissioner of veterans affairs may mutually determine ~~shall must~~ be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to ~~such~~ other state departments and agencies as the commissioner may deem desirable.

Sec. 38. Minnesota Statutes 1992, section 16A.128, subdivision 2, is amended to read:

Subd. 2. [NO RULEMAKING.] The kinds of fees that need not be fixed by rule unless specifically required by law are:

- (1) fees based on actual direct costs of a service;
- (2) one-time fees;
- (3) fees that produce insignificant revenues;
- (4) fees billed within or between state agencies;
- (5) fees exempt from commissioner approval; ~~or~~
- (6) fees for admissions to or use of facilities operated by the iron range resources and rehabilitation board, if the fees are set according to prevailing market conditions to recover operating costs; *or*

(7) *fees established by the Minnesota historical society.*

Sec. 39. Minnesota Statutes 1992, section 16A.28, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTIONS.] Except as provided by law, an appropriation made to the Minnesota historical society, if not spent during the first year, may be spent during the second year of a biennium. An unexpended balance remaining at the end of a biennium lapses and shall be returned to the fund from which appropriated. An appropriation made to the society for all or part of a biennium may be spent in either year of the biennium.

Sec. 40. Minnesota Statutes 1992, section 16A.72, is amended to read:

16A.72 [INCOME CREDITED TO GENERAL FUND; EXCEPTIONS.]

All income, including fees or receipts of any nature, shall be credited to the general fund, except:

- (1) federal aid;
- (2) contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law;
- (3) income to the University of Minnesota;
- (4) income to revolving funds now established in institutions under the control of the commissioners of corrections or human services;
- (5) investment earnings resulting from the master lease program, except that the amount credited to another fund or account may not exceed the amount of the additional expense incurred by that fund or account through participation in the master lease program;
- (6) receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates;
- (7) money received in payment for services of inmate labor employed in the industries carried on in the state correctional facilities which receipts shall be credited to the current expense fund of those facilities;
- (8) as provided in sections 16B.57 and 85.22; ~~or~~
- (9) *income to the Minnesota historical society; or*
- (10) as otherwise provided by law.

Sec. 41. Minnesota Statutes 1992, section 16B.06, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] The requirements of subdivision 2 do not apply to state contracts distributing state or federal funds pursuant to the federal Economic Dislocation and Worker Adjustment Assistance Act, United States Code, title 29, section 1651 et seq., *or sections 268.9771, 268.978, 268.9781, and 268.9782.* For these contracts, the commissioner of jobs and training is authorized to directly enter into state contracts with approval of the governor's job training council and encumber available funds to ensure a rapid response to the needs of dislocated workers. The commissioner shall adopt internal procedures to administer and monitor funds distributed under these contracts.

Sec. 42. Minnesota Statutes 1992, section 44A.01, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERSHIP.] ~~(a)~~ The corporation is governed by a board of directors consisting of:

(1) ~~six~~ *four* members, representing the international business community, elected to six-year terms by the association of members established under section 4, subdivision 2, clause (5);

(2) ~~three~~ *four* members, representing the international business community, appointed by the governor, ~~with the advice and consent of the senate,~~ to ~~six-year terms~~ *serve at the governor's pleasure; and*

(3) ~~six~~ *legislators appointed under paragraph (b)* ~~the mayor of St. Paul or the mayor's designee; and~~

(4) the commissioners of trade and economic development, agriculture, and commerce.

Members appointed by the governor must be knowledgeable or experienced in international trade in products or services.

(b) Legislator members are three members of the senate appointed under the rules of the senate and three members of the house of representatives appointed by the speaker. One member from each house must be appointed from the minority party of that house. Except for the initial members, who are to be appointed following enactment, they are appointed at the beginning of each regular session of the legislature for two-year terms. A legislator who remains a member of the body from which the legislator was appointed may serve until a successor is appointed and qualifies. A vacancy in a legislator member's term is filled for the unexpired portion of the term in the same manner as the original appointment.

Sec. 43. Minnesota Statutes 1992, section 44A.01, subdivision 4, is amended to read:

Subd. 4. [ORGANIZATION.] The board shall elect a chair from the representatives of the international business community appointed by the governor, and an executive committee from its members.

Sec. 44. Minnesota Statutes 1992, section 44A.025, is amended to read:

44A.025 [DUTIES.]

The board shall:

- (1) promote and market the Minnesota world trade center;
- (2) sponsor conferences or other promotional events in the conference and service center;
- (3) adopt bylaws governing operation of the corporation by November 1, 1987;
- (4) establish a Minnesota world trade center club program in accordance with the development agreement;
- (5) conduct public relations and liaison activities between the corporation and the international business community;
- (6) (5) establish and maintain an office in the Minnesota world trade center; and
- (7) (6) not duplicate programs or services provided by the commissioner of trade and economic development, the Minnesota trade division, or the commissioner of agriculture.

Sec. 45. Minnesota Statutes 1992, section 82.21, is amended by adding a subdivision to read:

Subd. 2a. [BROKER PAYMENT CONSOLIDATION.] For all license renewal fees, recovery fund renewal fees, and recovery fund assessments pursuant to this section and section 82.34, the broker must remit the fees or assessments for the company, broker, and all salespersons licensed to the broker, in the form of a single check.

Sec. 46. Minnesota Statutes 1992, section 116J.617, is amended to read:

116J.617 [TOURISM LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner may establish a tourism revolving loan program *and a tourism guarantee loan program* to provide loans ~~or participate in loans, or guarantee loans~~ to resorts, campgrounds, lodging facilities, and other tourism-related businesses. The commissioner shall work with financial institutions in making or participating in loans *or guaranteeing loans* under this section.

Subd. 2. [ELIGIBLE BORROWER.] To receive a loan under this section, the borrower must be a sole proprietorship, partnership, *or corporation, or other person* engaged in a tourism-related business or other entity that is defined by the standard industrial classification codes of 7011 and 7033 as set out in the Code of Federal Regulations, title 13, section 121.2. An eligible borrower under this section must maintain the business or other entity as a tourism-related entity as defined by this subdivision during the term of the loan. An eligible borrower may not receive a loan *or loan guarantee* under this section if the borrower has received a tourism-related loan, *loan participation, or guarantee* made by the state ~~or participated in by the state~~ in the past ~~three~~ *years 36 months*.

Subd. 3. [ELIGIBLE LOAN.] The maximum loan made or participated in under this section may not be for more than 50 percent of the total cost of the project. Loan proceeds may be used for the following purposes: *acquisition of an existing building*, building construction and improvement, *land site improvement*, equipment, other construction costs, and engineering costs. Project-related expenditures made more than 30 days before an application may not be financed by a loan made, *guaranteed*, or participated in under this section.

Subd. 4. [LOAN TERMS.] The maximum term of a loan made, *guaranteed*, or participated in under this section may not exceed the useful life of the real property or 80 percent of the useful life of the equipment or machinery, or the following limits, whichever is less:

- (1) ten years for land, building, or other real property;
- (2) five years for equipment or machinery; or
- (3) a weighted average of the limits under clauses (1) and (2) for loans made, *guaranteed*, or participated in for a combination of real property and equipment or machinery.

The commissioner may establish interest rates for loans made under this section. All loans made must be secured by collateral.

Subd. 5. [TOURISM LOAN ACCOUNT.] The tourism loan account is created in the special revenue fund. The fund consists of money appropriated or transferred to the account and interest collected through the tourism revolving loan program, and gifts, donations, and bequests made to the account. Money in the account is appropriated to the commissioner for purposes of this section. Fees collected through the tourism revolving loan program must be credited to the general fund.

Subd. 6. [INVESTMENT INTEREST.] *All interest and profits accruing from the investment of money from the tourism loan account are credited to the account, and any loss incurred in the principal of the investments of the account is debited to the account.*

Sec. 47. [116J.65] [YOUTH ENTREPRENEURSHIP EDUCATION PROGRAM.]

The commissioner of trade and economic development shall establish a youth entrepreneurship education program to improve the academic and entrepreneurial skills of students and aid in their transition from school to business creation. The program shall strengthen local economies by creating jobs that enable citizens to remain in their communities and to foster cooperation among educators, economic development professionals, business leaders, and representatives of labor.

Sec. 48. [116J.874] [AFFIRMATIVE ENTERPRISE PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Business entity" means a sole proprietorship, partnership, limited liability company, or corporation.

(c) "Disabled person" means a person with a disability as defined under section 363.01, subdivision 13.

(d) "Full-time employee" means an employee who is employed for at least 35 hours per week.

Subd. 2. [ESTABLISHMENT.] The commissioner of trade and economic development shall establish the affirmative enterprise program for the purpose of encouraging the full-time employment of disabled persons in areas of economic need. The commissioner shall determine areas of economic need based on present and past levels of unemployment and population loss; and present and past reductions in industrial and business activity.

Subd. 3. [ELIGIBILITY.] A business entity is eligible for an affirmative enterprise grant if it meets the following criteria:

(1) except in the case of a business entity with fewer than ten employees, it employs at least 25 percent of its full-time employees from persons who are not disabled;

(2) it employs at least 50 percent of its full-time employees from disabled persons;

(3) it maintains an integrated work force of nondisabled and disabled persons at the highest possible level;

(4) every full-time employee has an employee status with all accompanying rights and responsibilities;

(5) the following benefits are provided to each full-time employee:

(i) paid vacation;

(ii) paid holidays;

(iii) paid sick leave;

(iv) a personalized career plan;

(v) retirement with employer participation; and

(vi) a copayment health insurance plan;

(6) a full-time employee selected by all employees of the business entity meets with the business entity's management at least once a month;

(7) each full-time employee is informed of other less restrictive employment when it becomes available;

(8) all full-time employees are required to participate in at least two evaluations per year with accompanying wage adjustments; and

(9) profit sharing based on the business entity's performance is provided to all full-time employees.

Subd. 4. [GRANTS.] Affirmative enterprise grants must be used by the business to provide training and support services to disabled persons in conjunction with economic development.

Subd. 5. [PREFERENCE.] Preference for grant awards must be given to a business entity that: (1) offers ownership options or individual personal improvement plans with employer-sponsored training, has a long-term business plan, and is working collaboratively with the local economic development authority or organization; or (2) has a higher percentage of disabled employees than another eligible entity.

Subd. 6. [EXPIRATION.] This section expires July 1, 1995. By January 1, 1995, the management analysis division of the department of administration shall evaluate the program and if warranted based on outcomes recommend to the legislature a funding source for this program and a state agency to administer the program.

Sec. 49. Minnesota Statutes 1992, section 116J.982, is amended to read:

116J.982 [COMMUNITY DEVELOPMENT CORPORATIONS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms in this subdivision have the meanings given them:

(a) "Commissioner" means the commissioner of trade and economic development.

(b) "Economic development region" means an area so designated in the governor's executive order number 60 83-15, dated June 12, 1970, as amended March 15, 1983.

(c) "Federal poverty level" means the income level established by the United States Community Services Administration in Code of Federal Regulations, title 45, section 1060.2-2 published annually by the United States Department of Health and Human Services under authority of the Omnibus Budget Reconciliation Act of 1981, Public Law Number 97-35, title VI, section 673(2).

(d) "Low income" means an annual income below the federal poverty level.

(e) A "low-income area" means an area in which (1) ten percent of the population have low incomes, or (2) there is one or more recognized subareas such as a census tract, city, township, or county in which 15 percent of the population have low incomes.

Subd. 2. [ADMINISTRATION.] The commissioner shall administer this section and shall enforce the rules related to the community development

corporations adopted by the commissioner except for subdivision 6, which shall be administered by the commissioner of housing finance. The commissioner commissioners of trade and economic development and housing finance may amend, suspend, repeal, or otherwise modify these, separately or jointly, adopt rules as provided for in chapter 14 necessary to implement this section.

Subd. 3. [GRANTS CERTIFICATION; CORPORATIONS ELIGIBLE.] (a) The commissioner shall designate certify a community development corporation as eligible to receive grants under this section if the corporation is a nonprofit corporation incorporated under chapter 317A and meets the other criteria in this subdivision.

(b) The corporation, in its articles of incorporation or bylaws, shall must designate a low-income area as the specific geographic community within which it will operate. At least ten percent of the population within the designated community must have low incomes. Within the metropolitan area as defined in section 473.121, subdivision 2 cities of the first class, a designated community must be an identifiable neighborhood or a combination of neighborhoods but may not be the entire city. Outside cities of the first class, a designated community may be an identifiable neighborhood or neighborhoods, or home rule charter or statutory cities, townships, unincorporated areas, or combinations of those entities. Outside the metropolitan area, designated communities, so far as possible, but may not be an entire economic development region nor cross existing economic development region boundaries except as provided in this section. If a proposed geographic area overlaps the designated community of a community development corporation existing before August 1, 1987, the proposed community development corporation shall obtain the written consent of the existing community development corporation before the proposed corporation may be designated as eligible to receive grants under this section.

(c) The corporation's major purpose, in its articles of incorporation or bylaws, must be economic development, redevelopment, or housing in its designated community.

(d) The corporation shall limit voting membership to residents of its designated area must be tax exempt under section 501, paragraph (c), clause (3), of the Internal Revenue Code of 1986, as amended.

(e) The corporation shall have a board of directors with 15 to 30 members unless the corporation can demonstrate to the satisfaction of the commissioner that a smaller or larger board is more advantageous membership and board of directors of the corporation must be representative of the designated community. At least 40 percent of the directors must have incomes that do not exceed 80 percent of the county median family income or 80 percent of the statewide median family income as determined by the state demographer, whichever is less, and the remaining directors must be members of the business or financial community and the community at large. To the greatest extent possible, and At least 20 percent of the directors shall have low incomes or shall reside in low-income areas described in subdivision 1, paragraph (e), clause (1), or the low-income subarea described in subdivision 1, paragraph (e), clause (2). At least 60 percent of, the directors must be residents of the designated community. Directors who meet the income limitations of this paragraph must be elected by the members of the corporation. The remaining directors may be elected by the members of

appointed by the directors who meet the income limitations of this paragraph. Other directors shall be business, financial, or civic leaders or representatives-at-large of the designated community. Notwithstanding the requirements of this paragraph, a corporation which meets board structure requirements for a community housing development corporation under Code of Federal Regulations, title 24, part 92.2, is deemed to meet the board membership requirements of this subdivision.

(e) (f) The corporation shall hire low-income residents of the designated community to fill nonmanagerial and nonprofessional positions shall not discriminate against any persons on the basis of a status protected under chapter 363.

(f) (g) The corporation shall demonstrate that it has or will have can obtain the technical skills to analyze projects, that it is familiar with other available public and private funding sources and economic development, redevelopment, and housing programs, and that it is capable of packaging economic development, redevelopment, and housing projects.

(h) The corporation must have completed two or more economic development, redevelopment, or housing projects within its designated community during the last three years.

Subd. 4. [GRANT APPROVAL FOR PROJECTS CERTIFICATION.] The commissioner shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community. The commissioner shall certify as a community development corporation any organization which meets the criteria in subdivision 3. The certification is for two years from the date of certification and is renewable. The commissioner shall certify as a community development corporation for a nonrenewable period of three years from the date of certification an organization which meets all the criteria in subdivision 3; except for paragraphs (d) and (h), but which plans to meet those requirements by the end of the three years.

As part of the certification process, the commissioner shall resolve disputes concerning boundaries of the designated community of a community development corporation.

Subd. 5. [USE OF GRANT GRANTS; ECONOMIC DEVELOPMENT CONTRACTS.] The commissioner may approve make a grant to a community development corporation for planning, including organization of the corporation, training of the directors, creation of a comprehensive community economic development plan, and enter into contracts with certified community development corporations for:

(1) specific economic development projects within the designated community, such as development of a proposal for a venture grant, or for establishment of a business venture, including assistance to an existing business venture, purchase of partial or full ownership of a business venture, real estate development, strategic development planning, infrastructure development, or development of resources or facilities necessary for the establishment of a business venture;

(2) dissemination of information about, or taking applications for, programs operated by the commissioner; and

(3) *developing the internal organizational capacity to engage in economic development activities such as the partnership activities listed in clause (1).*

Subd. 6. [ASSIGNEE HOUSING CONTRACTS.] The commissioner must be named as an assignee of the rights of a state-funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights must provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state-funded community development corporation, any assigned money paid to the commissioner must be deposited in the state treasury and credited to the general fund. *The commissioner of the housing finance agency may enter into contracts with certified community development corporations for purposes of housing activities associated with economic development activity under subdivision 5.*

Subd. 6a. [SECONDARY MARKET.] A community development corporation may sell, at private or public sale, at the price or prices determined by the corporation, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.

Subd. 7. [FACTORS FOR GRANT APPROVAL OTHER PROGRAMS.] Factors considered by the commissioner in approving a grant to a community development corporation must include the creation of employment opportunities, the maximization of profit, and the effect on securing money from sources other than the state. *A certified community development corporation is eligible to participate in a program available to nonprofit organizations which is operated by the commissioners of trade and economic development or housing finance if the certified development corporation meets the requirements of the program.*

Subd. 7a. [REAL ESTATE LICENSE EXEMPTION.] *A certified community development corporation is exempt from the licensure requirements of section 82.20.*

Subd. 8. [PROHIBITION.] Grants under this section are not available for programs conducted by churches or religious organizations or for securing or developing social services.

Subd. 9. [NO EXCLUSION.] A person may not be excluded from participation in a program funded under this section because of race, color, religion, sex, age, or national origin.

Sec. 50. [116J.987] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] *The definitions in this section apply to sections 116J.987 to 116J.990.*

Subd. 2. [BOARD.] "Board" means the board of invention.

Subd. 3. [COMMERCIAL INVENTION.] "Commercial invention" means new and useful processes, machines, manufacturing procedures, or

any new and useful improvements or applications of commercial inventions, regardless of whether or not the invention is patentable.

Subd. 4. [INVENTION.] "Invention" means creative activity resulting in new and potentially useful and applied products or ideas of commercial and social merit. Invention includes commercial and social inventions.

Subd. 5. [SOCIAL INVENTION.] "Social invention" means new procedures, new uses for known procedures, and organizations that change the way in which people relate to their environment or to each other.

Sec. 51. [116J.988] [BOARD OF INVENTION.]

Subdivision 1. [MEMBERSHIP.] The board of invention consists of 11 members appointed by the governor, subject to the advice and consent of the senate. One member must be appointed from each of the congressional districts. The remaining members may be appointed at large.

Subd. 2. [TERMS.] The membership terms, removal, and filling of vacancies of board members are as provided in section 15.0575.

Subd. 3. [CHAIR; OTHER OFFICERS.] The board shall annually elect a chair and other officers as necessary from its members.

Subd. 4. [STAFF.] The board may employ an executive director who is knowledgeable in invention and has demonstrated proficiency in the administration of programs relating to invention. The executive director shall perform the duties that the board may require in carrying out its responsibilities.

Sec. 52. [116J.989] [POWERS.]

Subdivision 1. [CONTRACTS.] The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts or grants and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, or agreement. Money received by the board under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the board to carry out its duties.

Sec. 53. [116J.990] [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The board shall encourage the creation, performance, and appreciation of invention in the state. The board shall investigate and evaluate new methods to enhance invention.

Subd. 2. [GRANT PROGRAM.] The board shall establish an invention grant program to award grants to individuals, nonprofits, or private organizations to encourage the development of both commercial and social inventions.

Subd. 3. [TECHNICAL ASSISTANCE.] The board shall provide information services relating to invention to the general public.

Subd. 4. [COORDINATION.] The board may review all public and private programs relating to invention and innovation.

Subd. 5. [BUDGET.] The board shall adopt an annual budget and work program.

Subd. 6. [REPORT.] The board shall submit a report to the legislature and the governor by January 31 of each year. The report must include a review of invention activities in the state, a review of the board's activities, a listing of grants made under the invention grant program, an evaluation of invention initiatives, and recommendations concerning state support of invention activities.

Subd. 7. [STATE FUNDING PROHIBITED.] No state money may be appropriated to the board. The board must utilize private funds and nonstate public money to fund its activities.

Sec. 54. [116M.14] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the following terms have the meaning given them.

Subd. 2. [BOARD.] "Board" means the urban initiative board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.

Subd. 4. [LOW-INCOME AREA.] "Low-income area" means Minneapolis, St. Paul, and inner ring suburbs as defined by the metropolitan council that had a median household income below \$31,000 as reported in the 1990 census.

Subd. 5. [MINORITY BUSINESS ENTERPRISE.] "Minority business enterprise" means a business that is majority owned and operated by persons belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

Sec. 55. [116M.15] [URBAN INITIATIVE BOARD.]

Subdivision 1. [CREATION; MEMBERSHIP.] The urban initiative board is created and consists of the commissioners of trade and economic development and jobs and training, the chair of the metropolitan council, and eight members from the general public appointed by the governor. Six of the public members must be representatives from minority business enterprises. No more than four of the public members may be of one gender. All public members must be experienced in business or economic development.

Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Subd. 3. [CHAIR; OTHER OFFICERS.] The commissioner of trade and economic development shall serve as chair of the board. The board may elect other officers as necessary from its members.

Subd. 4. [STAFF.] The commissioner of trade and economic development shall provide staff, consultant support, materials, and administrative services necessary for the board's activities. The services must include personnel, budget, payroll, and contract administration.

Sec. 56. [116M.16] [POWERS.]

Subdivision 1. [CONTRACTS.] The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

Subd. 2. [GIFTS; GRANTS; APPROPRIATION.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in a separate account in the state treasury. The amount deposited is appropriated to the board to carry out its duties.

Sec. 57. [116M.17] [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The board shall investigate and evaluate methods to enhance urban development, particularly methods relating to economic diversification through minority business enterprises and job creation for minority and other persons in low-income areas. The enterprises shall include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries.

Subd. 2. [TECHNICAL ASSISTANCE.] The board through the department, shall provide technical assistance and development information services to state agencies, regional agencies, special districts, local governments, and the public, with special emphasis on minority communities.

Subd. 3. [BUDGET.] The board shall adopt an annual budget and work program and a biennial budget.

Subd. 4. [REPORTS.] The board shall submit an annual report to the legislature of an accounting of loans made under section 116M.18, including information on loans to minority business enterprises, the impact on low-income areas, and recommendations concerning minority business development and jobs for persons in low-income areas.

Sec. 58. [116M.18] [URBAN CHALLENGE GRANTS PROGRAM.]

Subdivision 1. [ELIGIBILITY RULES.] The board shall make urban challenge grants for use in low-income areas to nonprofit corporations to encourage private investment, to provide jobs for minority persons and others in low-income areas, to create and strengthen minority business enterprises, and to promote economic development in a low-income area. The board shall adopt rules to establish criteria for determining loan eligibility.

Subd. 2. [CHALLENGE GRANT ELIGIBILITY; NONPROFIT CORPORATION.] The board may enter into agreements with nonprofit corporations to fund loans the nonprofit corporation makes in low-income areas under subdivision 4. A corporation must demonstrate that:

(1) its board of directors includes citizens experienced in development, minority business enterprises, and creating jobs in low-income areas;

(2) it has the technical skills to analyze projects;

(3) it is familiar with other available public and private funding sources and economic development programs;

(4) it can initiate and implement economic development projects;

(5) it can establish and administer a revolving loan account; and

(6) it can work with job referral networks which assist minority and other persons in low-income areas.

Subd. 3. [REVOLVING LOAN FUND.] The board shall establish a revolving loan fund to make grants to nonprofit corporations for the purpose of making loans to new and expanding businesses in a low-income area to promote minority business enterprises and job creation for minority and other persons in low-income areas. Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries. Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the board for approval. The commissioner must give final approval for each loan made by the nonprofit corporation. The amount of a grant may not exceed 50 percent of each loan. The amount of nonstate money must equal at least 50 percent for each loan.

Subd. 4. [BUSINESS LOAN CRITERIA.] (a) The criteria in this subdivision apply to loans made under the urban challenge grant program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the urban challenge grant program.

(c) A loan must be used for a project designed to benefit persons in low-income areas through the creation of job opportunities for them. Among loan applicants, priority must be given, on the basis of the number of permanent jobs created or retained by the project and the proportion of nonpublic money leveraged by the loan. Priority must also be given for loans to the lowest income areas.

(d) The minimum loan is \$5,000 and the maximum is \$150,000.

(e) With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery account.

(f) A loan must be matched by at least an equal amount of new private investment.

(g) A loan may not be used for a retail development project.

(h) The business must agree to work with job referral networks that focus on minority applicants from low-income areas.

Subd. 5. [REVOLVING FUND ADMINISTRATION; RULES.] (a) The board shall establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in a revolving fund created by the board for challenge grants. The remaining amount of the loan repayment may be deposited in a revolving loan fund created by the nonprofit corporation originating the loan being repaid for further distribution, consistent with the loan criteria specified in subdivision 4.

(c) Administrative expenses of the board may be paid out of the interest earned on loans.

Subd. 6. [RULES.] The board shall adopt rules to implement this section.

Subd. 7. [COOPERATION.] A nonprofit corporation that receives an urban challenge grant shall cooperate with other organizations, including but not limited to, community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 8. [REPORTING REQUIREMENTS.] A corporation that receives a challenge grant shall:

(1) submit an annual report to the board by September 30 of each year that includes a description of projects supported by the urban challenge grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and persons in low-income areas, the source and amount of money collected and distributed by the urban challenge grant program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.

Sec. 59. [129D.06] [GRANTS TO ARTS ORGANIZATIONS.]

Subdivision 1. [STATE ARTS ACCOUNT; APPROPRIATION.] The state arts account consists of amounts credited to it by law. Money in the account is appropriated to the board for annual distribution as follows, after deducting the board's reasonable expenses for administration:

(1) 85 percent must be used to fund grants to qualified arts organizations as provided in subdivision 2; and

(2) 15 percent must be distributed to the regional arts councils designated by the board through the board acting as a fiscal agent for the regional arts councils.

Subd. 2. [GRANTS; AMOUNT.] The board shall make grants to qualified arts organizations. The amount of the grant to each organization is the percentage of the organization's three-year average cash operating expense budget for nonprofit arts activities that, when applied to the three-year nonprofit average cash operating expense budgets of all qualified arts organizations, equals the amount available for distribution from the state arts account under subdivision 1. The board shall require an organization that receives a grant under this section to annually report to the board in the form required by the board the purposes for which the grant was used.

As used in this section, "qualified arts organization" means a sponsoring organization as defined in section 129D.01, paragraph (d), that has applied for a grant under this section if the board finds that the organization:

(1) has a three-year average cash operating expense budget for nonprofit arts activities of at least \$100,000, as adjusted annually by a consumer price index determined by the board; and

(2) is a recipient of a grant from the board or from one of the regional arts councils in the fiscal year in which application is made.

Under emergency circumstances as defined by the board, a sponsoring organization may be reevaluated using established review criteria prior to receiving a grant under this section.

A "qualified arts organization" does not include an organization that receives any proceeds from a tax levy under section 450.25.

Sec. 60. [138A.01] [LABOR INTERPRETIVE CENTER; BOARD OF DIRECTORS.]

Subdivision 1. [ESTABLISHMENT.] The labor interpretive center is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter.

Subd. 2. [PURPOSE.] The purpose of the labor interpretive center is to celebrate the contribution of working people to the past, present, and future of Minnesota; to spur an interest among the people of Minnesota in their own family and community traditions of work; to help young people discover their work skills and opportunities for a productive working life; and to advance the teaching of work and labor studies in schools and colleges.

Subd. 3. [BOARD OF DIRECTORS.] The center is governed by a board of ten directors. The membership terms, compensation, removal, and filling of vacancies of members of the board are as provided in section 15.0575. Membership of the board consists of:

- (1) three directors appointed by the governor;*
- (2) one director appointed by the mayor of St. Paul, subject to the approval of the city council;*
- (3) three directors appointed by the speaker of the house of representatives; and*
- (4) three directors appointed by the subcommittee on committees of the senate committee on rules and administration.*

Directors must be representatives of labor, business, state and local government, local education authorities, and arts groups. The chairs of the senate committee on jobs, energy, and community development and the house of representatives committee on labor-management relations shall serve as nonvoting members.

The board shall select a chair of the board from its members, and any other officers of the board deemed necessary.

Subd. 4. [LOCATION.] The center must be located in the capital area of St. Paul as defined in section 15.50, subdivision 2, at the site recommended by the capitol area architectural and planning board.

Subd. 5. [MEETINGS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice. Board meetings are subject to section 471.705.

Subd. 6. [CONFLICT OF INTEREST.] A director, employee, or officer of the center may not participate in or vote on a decision of the board relating to a matter in which the director has either a direct or indirect financial interest or a conflict of interest as described in section 10A.07.

Subd. 7. [TORT CLAIMS.] The center is a state agency for purposes of section 3.736.

Sec. 61. [138A.02] [CENTER PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint an executive director of the center to serve in the unclassified service. The executive director must be chosen on the basis of training, experience, and knowledge in the areas of labor history and the changing world of work. The center shall employ staff, consultants, and other parties necessary to carry out the mission of the center.

Subd. 2. [STATUS OF EMPLOYEES.] Employees of the center are executive branch state employees.

Sec. 62. [138A.03] [POWERS; DUTIES; BOARD; CENTER.]

Subdivision 1. [GENERAL POWERS.] The board has the powers necessary for the care, management, and direction of the center. The powers include: (1) overseeing the planning and construction of the center as funds are available; (2) leasing a temporary facility for the center during development of its organization and program; and (3) establishing advisory groups as needed to advise the board on program, policy, and related issues.

Subd. 2. [DUTIES.] The center is a state agency for purposes of the following accounting and budgeting requirements:

- (1) financial reports and other requirements under section 16A.06;*
- (2) the state budget system under sections 16A.095, 16A.10, and 16A.11;*
- (3) the state allotment and encumbrance, and accounting systems under sections 16A.14, subdivisions 2, 3, 4, and 5; and 16A.15, subdivisions 2 and 3; and*
- (4) indirect costs under section 16A.127.*

Subd. 3. [PROGRAM.] The board shall appoint a program advisory group to oversee the development of the center's programming. It must consist of representatives of cultural and educational organizations, labor education specialists, and curriculum supervisors in local schools. The program of the center may be implemented through exhibits, performances, seminars, films and multimedia presentations, participatory programs for all ages, and a resource center for teachers. Collaborative program development is encouraged with technical colleges, the Minnesota historical society, and other cultural institutions.

Subd. 4. [BOARD OF GOVERNORS.] The board may establish a board of governors to incorporate as a nonprofit organization to receive donations for the center and to serve as honorary advisors to the board of directors.

Sec. 63. [138A.04] [LABOR INTERPRETIVE CENTER ACCOUNT.]

The Minnesota labor interpretive center account is an account in the special revenue fund. Funds in the account not needed for the immediate purposes of the center may be invested by the state board of investment in any way authorized by section 11A.24. Funds in the account are appropriated to the center to be used as provided in this chapter.

Sec. 64. [138A.05] [AUDITS.]

The center is subject to the auditing requirements of sections 3.971 and 3.972.

Sec. 65. [138A.06] [ANNUAL REPORTS.]

The board shall submit annual reports to the legislature on the planning, development, and activities of the center. The board shall supply more frequent reports if requested.

Sec. 66. Minnesota Statutes 1992, section 216B.62, subdivision 3, is amended to read:

Subd. 3. [ASSESSING ALL PUBLIC UTILITIES.] (a) The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to (1) public utilities under section 216A.085, and sections 216B.01 to 216B.67, other than amounts chargeable to public utilities under subdivision 2, or 6, and alternative energy engineering activity under section 216C.261. The remainder, except the amount assessed against cooperatives and municipalities for alternative energy engineering activity under subdivision 5, shall be assessed by the commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed ~~one-eighth~~ one-sixth of one percent of the total gross operating revenues of the public utilities during the calendar year from retail sales of gas or electric service within the state. The assessment for the third quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 67. Minnesota Statutes 1992, section 216B.62, subdivision 5, is amended to read:

Subd. 5. [ASSESSING COOPERATIVES AND MUNICIPALS.] The commission and department may charge cooperative electric associations and municipal electric utilities their proportionate share of the expenses incurred in the adjudication of service area disputes and the costs incurred in the adjudication of complaints over service standards, practices, and rates. Cooperative electric associations electing to become subject to rate regulation by the commission pursuant to section 216B.026, subdivision 4, are also subject to this section. Neither a cooperative electric association nor a municipal electric utility is liable for costs and expenses in a calendar year in excess of the limitation on costs that may be assessed against public utilities under subdivision 2. A cooperative electric association or municipal electric utility may object to and appeal bills of the commission and department as provided in subdivision 4.

The department shall assess cooperatives and municipalities for the costs of alternative energy engineering activities under section 216C.261. Each cooperative and municipality shall be assessed in proportion that its gross operating revenues for the sale of gas and electric service within the state for the last calendar year bears to the total of those revenues for all public utilities, cooperatives, and municipalities.

Sec. 68. Minnesota Statutes 1992, section 237.295, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF COSTS.] The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1, 5, or 6. The remainder must be assessed by the department to the telephone companies operating in this state in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment must be paid into the state treasury within 30 days after the bill has been mailed to the telephone companies. The bill constitutes notice of the assessment and demand of payment. The total amount that may be assessed to the telephone companies under this subdivision may not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the third quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed. A telephone company with gross jurisdictional operating revenues of less than \$5,000 is exempt from assessments under this subdivision.

Sec. 69. Minnesota Statutes 1992, section 237.295, is amended by adding a subdivision to read:

Subd. 6. [EXTENDED AREA SERVICE BALLOTING ACCOUNT; APPROPRIATION.] The extended area service balloting account is created as a separate account in the special revenue fund in the state treasury. The commission shall render separate bills to telephone companies only for direct balloting costs incurred by the commission under section 237.161. The bill constitutes notice of the assessment and demand of payment. The amount of a bill assessed by the commission under this subdivision must be paid by the telephone company into the state treasury within 30 days from the date of assessment. Money received under this subdivision must be credited to the extended area service balloting account and is appropriated to the commission.

Sec. 70. Minnesota Statutes 1992, section 239.011, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND POWERS.] To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

(6) shall conduct investigations to ensure compliance with this chapter;

(7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;

(8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;

(9) shall inspect and test weights and measures kept, offered, or exposed for sale;

(10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:

(i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director; or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296;

(17) shall distribute and post notices for used motor oil and lead acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115; and

(18) shall collect inspection fees in accordance with sections 239.10, ~~239.52, and 239.78.~~ and 239.101; and

(19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 9000, Guide 25;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by a governing body appointed by the European Economic Community; and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 71. Minnesota Statutes 1992, section 239.10, is amended to read:

239.10 [ANNUAL INSPECTION; FEE.]

The department shall charge a fee to the owner for the costs of the regular inspection of scales, weights, measures, and weighing or measuring devices. The cost of any other inspection must be paid by the owner if the inspection is performed at the owner's request or if the inspection is made at the request of some other person and the scale, weight, measure, or weighing or measuring device is found to be incorrect. The department may fix the fees and expenses for regular inspections and special services by rule pursuant to section 16A.128, except that no additional fee may be charged for retail petroleum pumps, petroleum vehicle meters, and petroleum bulk meters that dispense petroleum products for which the petroleum inspection fee required by section 239.78 is collected. Money collected by the department for its regular inspections, special services, fees, and penalties must be paid into the state treasury and credited to the state general fund. The director shall inspect all weights and measures annually, or as often as deemed possible within budget and staff limitations.

Sec. 72. [239.101] [INSPECTION FEES.]

Subdivision 1. [FEE SETTING AND COST RECOVERY.] The department shall recover the amount appropriated to the weights and measures program through revenue from two separate fee systems under subdivisions 2 and 3, and according to the fee-setting and cost-recovery requirements in subdivisions 4, 5, and 6.

Subd. 2. [WEIGHTS AND MEASURES FEES.] The director shall charge a fee to the owner for inspecting and testing weights and measures, providing metrology services and consultation, and providing petroleum quality assurance tests at the request of a licensed distributor. Money collected by the director must be paid into the state treasury and credited to the state general fund.

Subd. 3. [PETROLEUM INSPECTION FEE.] A person who owns petroleum products held in storage at a pipeline terminal, river terminal, or refinery shall pay a petroleum inspection fee of 85 cents for every 1,000 gallons sold or withdrawn from the terminal or refinery storage. The commissioner of revenue shall collect the fee. The revenue from the fee must first be applied to cover the amounts appropriated for petroleum product quality inspection expenses, for the inspection and testing of petroleum

product measuring equipment, and for petroleum supply monitoring under chapter 216C.

The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue. The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296.

Subd. 4. [SETTING WEIGHTS AND MEASURES FEES.] The department shall review its schedule of inspection fees at the end of each six months. When a review indicates that the schedule of inspection fees should be adjusted, the commissioner shall fix the fees by rule, in accordance with section 16A.128, to ensure that the fees charged are sufficient to recover all costs connected with the inspections.

Subd. 5. [SETTING PETROLEUM INSPECTION FEE.] When the department estimates that inspection costs will exceed the revenue from the fee, the commissioner shall notify the commissioner of finance. The commissioner of finance shall then request a fee increase from the legislature.

Subd. 6. [COST RECOVERY REQUIREMENTS.] The cost of inspection activities and services not specified in subdivisions 2 and 3, including related overhead costs, must be equitably apportioned and recovered by the fees.

Sec. 73. Minnesota Statutes 1992, section 239.791, subdivision 6, is amended to read:

Subd. 6. [OXYGENATE RECORDS; SELF AUDITS.] A registered oxygenate blender shall ~~commission an attestation engagement performed by a certified public accountant audit records to investigate demonstrate~~ compliance with this section and with EPA oxygenated fuel requirements. The audit report, including the cumulative record of gasoline oxygenate blends, must be submitted to the director, as prescribed by the director, within 120 days after the end of each carbon monoxide control period.

Sec. 74. Minnesota Statutes 1992, section 239.791, subdivision 8, is amended to read:

Subd. 8. [DISCLOSURE.] A person responsible for the product who delivers, distributes, sells, or offers to sell gasoline in a carbon monoxide control area, during a carbon monoxide control period, shall provide, at the time of delivery, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline, the bill or manifest must state: "This fuel must not be sold at retail or used in a carbon monoxide control area." This subdivision does not apply to sales or transfers of gasoline when the gasoline is dispensed into the supply tanks of motor vehicles.

Sec. 75. Minnesota Statutes 1992, section 239.80, subdivision 1, is amended to read:

Subdivision 1. [VIOLATIONS; ACTIONS OF DEPARTMENT.] The director, or any delegated employee shall use the methods in section 239.75 to

enforce sections 239.10; 239.101, subdivision 3; 239.761, 239.78; 239.79; 239.791; and 239.792.

Sec. 76. Minnesota Statutes 1992, section 239.80, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person who fails to comply with any provision of section 239.10; 239.101, subdivision 3; 239.761, 239.78; 239.79; 239.791; or 239.792, is guilty of a misdemeanor.

Sec. 77. Minnesota Statutes 1992, section 257.0755, is amended to read:

257.0755 [OFFICE OF OMBUDSPERSON; CREATION; QUALIFICATIONS; FUNCTION.]

An ombudsperson for families shall be appointed to operate independently but under the auspices of each of the following groups: the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans. Each of these groups shall select its own ombudsperson subject to final approval by the advisory board established under section 257.0768. Each ombudsperson shall serve at the pleasure of the advisory board, shall be in the unclassified service, shall be selected without regard to political affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children from families of color. In addition, the ombudsperson must be experienced in dealing with communities of color and knowledgeable about the needs of those communities. No individual may serve as ombudsperson while holding any other public office. The ombudsperson shall have the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color. *Money appropriated for each office of ombudsperson from the general fund or the special fund authorized by section 256.01, subdivision 2, clause (15), is under the control of the office of ombudsperson for which it is appropriated.*

Sec. 78. Minnesota Statutes 1992, section 268.022, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.] (a) In addition to all other contributions, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of contributions under section 268.06, subdivision 25, 26, 27, or 28, is liable for a special assessment levied at the rate of one-tenth of one percent per year on all wages for purposes of the contribution payable under section 268.06, subdivision 2, as defined in section 268.04, subdivision 25. Such assessment shall become due and be paid by each employer to the department of jobs and training on the same schedule and in the same manner as other contributions required by section 268.06.

(b) The special assessment levied under this section shall not affect the computation of any other contributions, assessments, or payment obligations due under this chapter.

(c) *Notwithstanding any provision to the contrary, if on June 30 of any year the unobligated balance of the special assessment fund under this section is greater than \$30,000,000, the special assessment for the following year only shall be levied at a rate of 1/20th of one percent on all wages identified for this purpose under this subdivision.*

Sec. 79. Minnesota Statutes 1992, section 268.022, subdivision 2, is amended to read:

Subd. 2. [DISBURSEMENT OF SPECIAL ASSESSMENT FUNDS.] (a) The money collected under this section shall be deposited in the state treasury and credited to a dedicated fund to provide for the dislocated worker employment and training programs established under sections 268.975 to 268.98; including vocational guidance, training, placement, and job development.

(b) All money in the dedicated fund is appropriated to the commissioner who must act as the fiscal agent for the money and must disburse the money for the purposes of this section, not allowing the money to be used for any other obligation of the state. All money in the dedicated fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other dedicated funds in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) No more than five percent of the dedicated funds collected in each fiscal year may be used by the department of jobs and training for its administrative costs.

(d) *Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.*

(e) The dedicated funds, less amounts under paragraph paragraphs (c), must and (d) shall be allocated as follows:

(1) 50 percent to be allocated according to paragraph (e) to the substate grantees under subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1661a in proportion to each substate area's share of the federal allocated funds, to be used to assist dislocated workers under the standards in section 268.98;

(2) 50 percent to fund specific programs proposed under the state plan request for proposal process and recommended by the governor's job training council. This fund shall be used for state plan request for proposal programs addressing plant closings or layoffs regardless of size; and

(3) in fiscal years 1991, 1992, and 1993, any amounts transferred to the general fund or obligated before July 1, 1991, shall be excluded from the calculation under this paragraph.

(e) In the event that a substate grantee has obligated 100 percent of its formula allocated federal funds under subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1651 et seq., and has demonstrated appropriate use of the funds to the governor's job training council, the substate grantee may request and the commissioner shall provide additional funds to the substate area in an amount equal to the federal formula allocated funds. When a substate grantee has obligated 100 percent of the additional funds provided under this section, and has demonstrated appropriate use of the funds to the governor's job training council, the substate grantee may request and the commissioner shall provide further additional funds in amounts equal to the federal formula allocated funds until the substate area receives its proportionate share of funds under paragraph (d), clause (1).

(f) By December 31 of each fiscal year each substate grantee and the governor's job training council shall report to the commissioner on the extent to which funds under this section are committed and the anticipated demand for funds for the remainder of the fiscal year. The commissioner shall reallocate those funds that the substate grantees and the council do not anticipate expending for the remainder of the fiscal year to be available for requests from other substate grantees or other dislocated worker projects proposed to the governor's job training council which demonstrate a need for additional funding.

(g) Due to the anticipated quarterly variations in the amounts collected under this section, the amounts allocated under paragraph (d) must be based on collections for each quarter. Any amount collected in the final two quarters of the fiscal year, but not allocated, obligated or expended in the fiscal year, shall be available for allocation, obligation and expenditure in the following fiscal year annually to substate grantees for provision of expeditious response activities under section 268.9771 and worker adjustment services under section 268.9781; and

(2) 60 percent to be allocated to activities and programs authorized under sections 268.975 to 268.98.

(f) Any funds not allocated, obligated, or expended in a fiscal year shall be available for allocation, obligation, and expenditure in the following fiscal year.

Sec. 80. Minnesota Statutes 1992, section 268.361, subdivision 6, is amended to read:

Subd. 6. [TARGETED YOUTH.] "Targeted youth" means *at-risk* persons that who are at least 16 years of age but not older than 24 24 years of age, are eligible for the high school graduation incentive program under section 126.22, subdivisions 2 and 2a, or are economically disadvantaged as defined in United States Code, title 29, section 1503, and are part of one of the following groups:

(1) persons who are not attending any school and have not received a secondary school diploma or its equivalent; or

(2) persons currently enrolled in a traditional or alternative school setting or a GED program and who, in the opinion of an official of the school, are in danger of dropping out of the school.

Sec. 81. Minnesota Statutes 1992, section 268.361, subdivision 7, is amended to read:

Subd. 7. [VERY LOW INCOME.] "Very low income" means incomes that are at or less than 30 50 percent of the area median income for the Minneapolis-St. Paul metropolitan area, adjusted for family size, as estimated by the department of housing and urban development.

Sec. 82. Minnesota Statutes 1992, section 268.362, is amended to read:

268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to ~~at-risk~~ targeted youth who have not been

served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, *improvement*, or construction of (1) residential units for the homeless, or (2) *education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.*

(b) *Eligible facilities must principally provide services to homeless or very low income individuals and families, and include the following:*

- (1) *Head Start or day care centers;*
- (2) *homeless, battered women, or other shelters;*
- (3) *transitional housing;*
- (4) *youth or senior citizen centers; and*
- (5) *community health centers.*

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed ~~\$50,000~~ \$80,000 per year. In awarding grants, the *advisory committee and the commissioner* must give priority to:

(1) *continuing and expanding effective programs by providing grant money to organizations that are operating or have operated successfully a successful program that meets the program purposes under section 268.364; and*

(2) *distributing programs throughout the state through start-up grants for programs in areas that are not served by an existing program.*

To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money. *Nothing in this subdivision shall prevent an eligible organization from applying for and receiving grants for more than one program. A grant received by an eligible organization from the federal Youthbuild Project under United States Code, title 42, section 5091, is nonstate money and may be used to meet the state match requirement. State grant money awarded under this section may be used by grantee organizations for match requirements of a federal Youthbuild Project.*

Sec. 83. Minnesota Statutes 1992, section 268.363, is amended to read:
268.363 [ADVISORY COMMITTEE.]

A 13-member advisory committee is established as provided under section 15.059 to assist the commissioner in selecting eligible organizations to receive ~~planning~~ program grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of education, human services, and jobs and training; a representative of the chancellor of vocational education; a

representative of the commissioner of the housing finance agency; the director of the office of jobs policy; and seven public members appointed by the governor. Each of the following groups must be represented by a public member *experienced in working with targeted youth*: labor organizations, local educators, community groups, consumers, local housing developers, youth between the ages of 16 and ~~21~~ 24 *who have a period of homelessness*, and *other* homeless persons. At least three of the public members must be from outside of the metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 84. Minnesota Statutes 1992, section 268.364, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 268.362 are for a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program must include education, work experience, and job skills, and *leadership training and peer support* components. *Each participant must be offered counseling and other services to identify and overcome problems that might interfere with successfully completing the program.*

Sec. 85. Minnesota Statutes 1992, section 268.364, subdivision 3, is amended to read:

Subd. 3. [WORK EXPERIENCE COMPONENT.] A work experience component must be included in each program. The work experience component must provide vocational skills training in an industry where there is a viable expectation of job opportunities and. A training subsidy, *living allowance*, or stipend, *not to exceed an amount equal to 100 percent of the poverty line for a family of two as defined in United States Code, title 42, section 673, paragraph (2)*, may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in (1) the expansion or improvement of residential units for homeless persons and very low income families, and or (2) *rehabilitation, improvement, or construction of eligible education, social service, or health facilities that principally serve homeless or very low income individuals and families. Any work project must include direct supervision by individuals skilled in each specific vocation. Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.*

Sec. 86. Minnesota Statutes 1992, section 268.364, is amended by adding a subdivision to read:

Subd. 6. [LEADERSHIP TRAINING AND PEER SUPPORT COMPONENT.] *Each program must provide participants with meaningful opportunities to develop leadership skills such as decision making, problem solving, and negotiating. The program must encourage participants to develop strong peer group ties that support their mutual pursuit of skills and values.*

Sec. 87. Minnesota Statutes 1992, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential or transitional housing units that become available through the program a work project that is part of the program described in section 268.364 must be allocated in the following order:

- (1) homeless individuals targeted youth who have participated in constructing, rehabilitating, or improving the unit;
- (2) homeless families with at least one dependent;
- (3) other homeless individuals;
- (4) other very low income families and individuals; and
- (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Sec. 88. Minnesota Statutes 1992, section 268.55, is amended to read:

268.55 [FOOD BANK FOODSHELF PROGRAM.]

Subdivision 1. [DISTRIBUTION OF APPROPRIATION.] The economic opportunity office of the department of jobs and training shall distribute funds appropriated to it by law for that purpose to food banks, as defined in section 31.50, subdivision 1, paragraph (b). A food bank qualifies under this section if it is a nonprofit corporation, or is affiliated with to the Minnesota foodshelf association, a statewide association of foodshelves organized as a nonprofit corporation, as defined under section 501(c)(3) of the Internal Revenue Code of 1986, and distributes food to distribute to qualifying foodshelves. A foodshelf qualifies under this section if:

- (1) it is a nonprofit corporation, or is affiliated with a nonprofit corporation, as defined in section 501(c)(3) of the Internal Revenue Code of 1986;
- (2) it distributes standard food orders without charge to needy individuals. The standard food order must consist of at least a two-day supply or six pounds per person of nutritionally balanced food items;
- (3) it does not limit food distributions to individuals of a particular religious affiliation, race, or other criteria unrelated to need or to requirements necessary to administration of a fair and orderly distribution system;
- (4) it does not use the money received or the food distribution program to foster or advance religious or political views; and
- (5) it has a stable address and directly serves individuals.

Subd. 2. [APPLICATION.] In order to receive money appropriated for food banks under this section, a food bank the Minnesota foodshelf association must apply to the economic opportunity office department of jobs and training. The application must be in a form prescribed by the economic opportunity office and must contain information required by the economic opportunity office to verify that the applicant is a qualifying food bank, and the amount the applicant is entitled to receive under subdivision 3 department of jobs and training and must indicate the proportion of money each qualifying foodshelf shall receive. Applications must be filed at the times and for the periods determined by the economic opportunity office department of jobs and training.

Subd. 3. [DISTRIBUTION FORMULA.] The economic opportunity office Minnesota foodshelf association shall distribute money appropriated distributed to it for by the department of jobs and training to foodshelf programs to qualifying food banks in proportion to the number of individuals served by the each foodshelf programs supplied by the food bank program. The economic opportunity office department of jobs and training shall gather data from applications the Minnesota foodshelf association or other appropriate sources to determine the proportionate amount each qualifying foodshelf program is entitled to receive. The economic opportunity office department of jobs and training may increase or decrease the qualifying food bank's foodshelf program's proportionate amount if it determines the increase or decrease is necessary or appropriate to meet changing needs or demands.

Subd. 4. [USE OF MONEY.] At least 95 96 percent of the money distributed to food banks the Minnesota foodshelf association under this section must be used distributed to foodshelf programs to purchase nutritious food for, transport and coordinate the distribution without charge to qualifying foodshelves serving of nutritious food to needy individuals and families. No more than five four percent of the money may be expended for other expenses, such as rent, salaries, and other administrative expenses of the food banks Minnesota foodshelf association.

Subd. 5. [ENFORCEMENT.] Recipient food banks The Minnesota foodshelf association must retain records documenting expenditure of the money and comply with any additional requirements imposed by the economic opportunity office department of jobs and training. The economic opportunity office department of jobs and training may require a food bank receiving funds under this section the Minnesota foodshelf association to report on its use of the funds. The economic opportunity office department of jobs and training may require that the report contain an independent audit. If ineligible expenditures are made by a food bank the Minnesota foodshelf association, the ineligible amount must be repaid to the economic opportunity office department of jobs and training and deposited in the general fund.

Subd. 6. [ADMINISTRATIVE EXPENSES.] All funds appropriated under this section must be distributed to the Minnesota foodshelf association as provided under this section with deduction by the commissioner for administrative expenses limited to 1.8 percent.

Sec. 89. Minnesota Statutes 1992, section 268.914, subdivision 1, is amended to read:

Subdivision 1. [STATE SUPPLEMENT FOR FEDERAL GRANTEEES.] (a) The commissioner of jobs and training shall distribute money appropriated for that purpose to Head Start program grantees to expand services to additional low-income children. Money must be allocated to each project Head Start grantee in existence on the effective date of Laws 1989, chapter 282. Migrant and Indian reservation grantees must be initially allocated money based on the grantees' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start grantee must be funded at a per child rate equal to its contracted, federally funded base level for program accounts 20 to 26 at the start of the fiscal year. In allocating funds under this paragraph, the commissioner of jobs and training must assure that each Head Start grantee is allocated no less funding in any fiscal year than

was allocated to that grantee in fiscal year 1993. The commissioner may provide additional funding to grantees for start-up costs incurred by grantees due to the increased number of children to be served. Before paying money to the grantees, the commissioner shall notify each grantee of its initial allocation, how the money must be used, and the number of low-income children that must be served with the allocation. Each grantee must notify the commissioner of the number of additional low-income children it will be able to serve. For any grantee that cannot serve additional children to its full allocation, the commissioner shall reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible grantees.

(b) Up to 11 percent of the funds appropriated annually may be used to provide grants to local head start agencies to provide funds for innovative programs designed either to target Head Start resources to particular at-risk groups of children or to provide services in addition to those currently allowable under federal head start regulations. The commissioner shall award funds for innovative programs under this paragraph on a competitive basis.

Sec. 90. [268.92] [LEAD ABATEMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(b) "Certified trainer" means a lead trainer certified by the commissioner of health under section 144.878, subdivision 5.

(c) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(d) "Commissioner" means the commissioner of jobs and training.

(e) "Eligible organization" means a licensed contractor, certified trainer, city, board of health, community health department, community action agency as defined in section 268.52, or community development corporation.

(f) "High risk for toxic lead exposure" has the meaning given in section 144.871, subdivision 7a.

(g) "Licensed contractor" means a contractor licensed by the department of health under section 144.876.

(h) "Removal and replacement abatement" means lead abatement on residential property that requires retrofitting and conforms to the rules established under section 144.878.

(i) "Swab team" has the meaning given in section 144.871, subdivision 9.

Subd. 2. [GRANTS; ADMINISTRATION.] Within the limits of the available appropriation, the commissioner may make demonstration and training grants to eligible organizations for programs to train workers for swab teams and removal and replacement abatement, and to provide swab team services and removal and replacement abatement for residential property.

Grants awarded under this section must be made in consultation with the commissioners of the department of health, and the housing finance agency,

and representatives of neighborhood groups from areas at high risk for toxic lead exposure, a labor organization, the lead coalition, community action agencies, and the legal aid society. The consulting team shall review grant applications and recommend awards to eligible organizations that meet requirements for receiving a grant under this section.

Subd. 3. [APPLICANTS.] (a) Interested eligible organizations may apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Priority shall be given to community action agencies in greater Minnesota and to either community action agencies or neighborhood based nonprofit organizations in cities of the first class. 3.75 percent of the total allocation may be used for administrative costs. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (d).

(b) The commissioner of jobs and training shall coordinate with the commissioner of health and local boards of health to provide swab team services. Swab teams, administered by the commissioner of jobs and training, that are not engaged daily in fulfilling the requirements of section 144.872, subdivision 5, must deliver swab team services in census tracts known to be at high risk for toxic lead exposure.

(c) Any additional grants shall be made to establish swab teams for primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure.

(d) In evaluating grant applications, the commissioner shall consider the following criteria:

(1) the use of licensed contractors and certified lead abatement workers for residential lead abatement;

(2) the participation of neighborhood groups and individuals, as swab team members, in areas at high risk for toxic lead exposure;

(3) plans for the provision of primary prevention through swab team services in areas at high risk for toxic lead exposure on a census tract basis without environmental lead testing;

(4) plans for supervision, training, career development, and postprogram placement of swab team members;

(5) plans for resident and property owner education on lead safety;

(6) plans for distributing cleaning supplies to area residents and educating residents and property owners on cleaning techniques;

(7) cost estimates for training, swab team services, equipment, monitoring, and administration;

(8) measures of program effectiveness; and

(9) coordination of program activities with other federal, state, and local public health, job training, apprenticeship, and housing renovation programs including the emergency jobs program under sections 268.672 to 268.881.

Subd. 4. [LEAD ABATEMENT CONTRACTORS.] (a) Eligible organizations and licensed lead abatement contractors may participate in the lead abatement program. An organization receiving a grant under this section must

assure that all participating contractors are licensed and that all swab team, and removal and replacement employees are certified by the department of health under section 144.878, subdivision 5. Organizations and licensed contractors may distinguish between interior and exterior services in assigning duties and may participate in the program by:

- (1) providing on-the-job training for swab teams;
- (2) providing swab team services to meet the requirements of section 144.872;
- (3) providing removal and replacement abatement using skilled craft workers;
- (4) providing primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure;
- (5) providing lead dust cleaning supplies, as described in section 144.872, subdivision 4, to residents; or
- (6) instructing residents and property owners on appropriate lead control techniques.

(b) Participating licensed contractors must:

- (1) demonstrate proof of workers' compensation and general liability insurance coverage;
- (2) be knowledgeable about lead abatement requirements established by the department of housing and urban development and the occupational safety and health administration;
- (3) demonstrate experience with on-the-job training programs;
- (4) demonstrate an ability to recruit employees from areas at high risk for toxic lead exposure; and
- (5) demonstrate experience in working with low-income clients.

Subd. 5. [LEAD ABATEMENT EMPLOYEES.] Each worker engaged in swab team services or removal and replacement abatement in programs established under this section must have blood lead concentrations below 15 micrograms per deciliter as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must assure that all workers in lead abatement programs, receiving grant funds under this section, meet the standards established in this subdivision. Grantees must use appropriate workplace procedures to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms per deciliter to the commissioner of health.

Subd. 6. [ON-THE-JOB TRAINING COMPONENT.] (a) Programs established under this section must provide on-the-job training for swab teams. Training methods must follow procedures established under section 144.878, subdivision 5.

(b) Swab team members must receive monetary compensation equal to the prevailing wage as defined in section 177.42, subdivision 6, for comparable jobs in the licensed contractor's principal business.

Subd. 7. [REMOVAL AND REPLACEMENT COMPONENT.] (a) Within the limits of the available appropriation, programs may be established if a need is identified for removal and replacement abatement in residential properties. All removal and replacement abatement must be done using least-cost methods that meet the standards of section 144.878, subdivision 2. Removal and replacement abatement must be done by licensed lead abatement contractors. All craft work that requires a state license must be supervised by a person with a state license in the craft work being supervised.

(b) The program design must:

(1) identify the need for trained swab team workers and removal and replacement abatement workers;

(2) describe plans to involve appropriate groups in designing methods to meet the need for trained lead abatement workers; and

(3) include an examination of how program participants may achieve certification as a part of the work experience and training component. Certification may be achieved through licensing, apprenticeship, or other education programs.

Subd. 8. [PROGRAM BENEFITS.] As a condition of providing lead abatement under this section, an organization may require a property owner to not increase rents on a property solely as a result of a substantial improvement made with public funds under the programs in this section.

Subd. 9. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An eligible organization that is awarded a training and demonstration grant under this section shall prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant.

Subd. 10. [REPORT.] Beginning in the year in which an appropriation is received, the commissioner shall prepare and submit a lead abatement program report to the legislature and the governor by December 31, and every two years thereafter. At a minimum, the report must describe the programs that received grants under this section, and make recommendations for program changes.

Sec. 91. Minnesota Statutes 1992, section 268.975, subdivision 3, is amended to read:

Subd. 3. [DISLOCATED WORKER.] "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been terminated or who has received a notice of termination from public or private sector employment, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to the previous industry or occupation;

(2) has been terminated or has received a notice of termination of employment as a result of any plant closing or any substantial layoff at a plant, facility, or enterprise;

(3) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age; or

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters, subject to rules to be adopted by the commissioner; or

(5) has been terminated or who has received a notice of termination from employment with a public or nonprofit employer.

A dislocated worker must have been working in Minnesota at the time employment ceased.

Sec. 92. Minnesota Statutes 1992, section 268.975, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a local government unit, nonprofit organization, community action agency, business organization or association, or labor organization that has applied for a feasibility grant under section 268.978.

Sec. 93. Minnesota Statutes 1992, section 268.975, subdivision 6, is amended to read:

Subd. 6. [PLANT CLOSING.] "Plant closing" means the announced or actual permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any 30-day period for (a) 50 or more employees excluding employees who work less than 20 hours per week; or (b) at least 500 employees who in the aggregate work at least 20,000 hours per week, exclusive of hours of overtime.

Sec. 94. Minnesota Statutes 1992, section 268.975, subdivision 7, is amended to read:

Subd. 7. [PREFEASIBILITY STUDY GRANT; GRANT.] "Prefeasibility study grant" or "grant" means the grant awarded under section 268.978.

Sec. 95. Minnesota Statutes 1992, section 268.975, subdivision 8, is amended to read:

Subd. 8. [SUBSTANTIAL LAYOFF.] "Substantial layoff" means a permanent reduction in the work force, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for (a) at least 50 employees excluding those employees that work less than 20 hours a week; or (b) at least 500 employees who in the aggregate work at least 20,000 hours per week, exclusive of hours of overtime.

Sec. 96. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 9. [SUBSTATE GRANTEE.] "Substate grantee" means the agency or organization designated to administer at the local level federal dislocated worker programs pursuant to the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

Sec. 97. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 10. [WORKER ADJUSTMENT SERVICES.] "Worker adjustment services" means the array of employment and training services designed to assist dislocated workers make the transition to new employment, including basic readjustment assistance, training assistance, and support services.

Sec. 98. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 11. [BASIC READJUSTMENT ASSISTANCE.] "Basic readjustment assistance" means employment transition services that include, but are not limited to: development of individual readjustment plans for participants; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment, including evaluation of educational attainment and participant interests and aptitudes; determination of occupational skills; provision of occupational information; job placement assistance; labor market information; job clubs; job search; job development; prelayoff assistance; relocation assistance; and programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs.

Sec. 99. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 12. [TRAINING ASSISTANCE.] "Training assistance" means services that will enable a dislocated worker to become reemployed by retraining for a new occupation or industry, enhancing current skills, or relocating to employ existing skills. Training services include, but are not limited to: classroom training; occupational skill training; on-the-job training; out-of-area job search; relocation; basic and remedial education; literacy and English for training non-English speakers; entrepreneurial training; and other appropriate training activities directly related to appropriate employment opportunities in the local labor market.

Sec. 100. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 13. [SUPPORT SERVICES.] "Support services" means assistance provided to dislocated workers to enable their participation in an employment transition and training program. Services include, but are not limited to: family care assistance, including child care; commuting assistance; housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program.

Sec. 101. [268.9755] [GOVERNOR'S JOB TRAINING COUNCIL.]

Subdivision 1. [DEFINITION.] For purposes of sections 268.022 and 268.975 to 268.98, "governor's job training council" means the state job training coordinating council established under the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

Subd. 2. [DUTIES.] The governor's job training council shall provide advice to the commissioner on:

(1) the use of funds made available under section 268.022, including methods for allocation and reallocation of funds and the allocation of funds

among employment and training activities authorized under sections 268.975 to 268.98;

(2) performance standards for programs and activities authorized under sections 268.975 to 268.98;

(3) approval of worker adjustment services plans and dislocation event services grants;

(4) establishing priorities for provision of worker adjustment services to eligible dislocated workers; and

(5) the effectiveness of programs and activities authorized in sections 268.975 to 268.98.

Sec. 102. Minnesota Statutes 1992, section 268.976, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] (a) The commissioner shall encourage those business establishments considering a decision to effect a plant closing, substantial layoff, or relocation of operations located in this state to give notice of that decision as early as possible to the commissioner, the employees of the affected establishment, any employee organization representing the employees, and the local government unit in which the affected establishment is located. This notice shall be in addition to any notice required under the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101.

(b) Notwithstanding section 268.975, subdivision 6, for purposes of this section, "plant closing" means the announced or actual permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 50 or more employees excluding employees who work less than 20 hours per week.

Sec. 103. [268.9771] [RAPID AND EXPEDITIOUS RESPONSE.]

Subdivision 1. [RESPONSIBILITY.] The commissioner shall respond quickly and effectively to announced or actual plant closings and substantial layoffs. Affected workers and employers, as well as appropriate business organizations or associations, labor organizations, substate grantees, state and local government units, and community organizations shall be assisted by the commissioner through either rapid response activities or expeditious response activities as described in this section to respond effectively to a plant closing or mass layoff.

Subd. 2. [COVERAGE.] Rapid response is to be provided by the commissioner where permanent plant closings or substantial layoffs affect at least 50 workers over a 30-day period as evidenced by actual separation from employment or by advance notification of a closing or layoff. Expeditious response is to be provided by worker adjustment services plan grantees in coordination with rapid response activities or where permanent plant closings and substantial layoffs are not otherwise covered by rapid response.

Subd. 3. [COORDINATION.] The commissioner and expeditious response grantees shall coordinate their respective rapid response and expeditious response activities. The roles and responsibilities of each shall be detailed in written agreements and address on-site contact with employer and employee

representatives when notified of a plant closing or substantial layoff. The activities include formation of a community task force, collecting and disseminating information related to economic dislocation and available services to dislocated workers, providing basic readjustment assistance services to workers affected by a plant closure or substantial layoff, conducting a needs assessment survey of workers, and developing a plan of action responsive to the worker adjustment services needs of affected workers.

Subd. 4. [RAPID RESPONSE ACTIVITIES.] The commissioner shall be responsible for implementing the following rapid response activities:

(1) establishing on-site contact with employer and employee representatives within a short period of time after becoming aware of a current or projected plant closing or substantial layoff in order to:

(i) provide information on and facilitate access to available public programs and services; and

(ii) provide emergency assistance adapted to the particular closure or layoff;

(2) promoting the formation of a labor-management committee by providing:

(i) immediate assistance in the establishment of the labor-management committee;

(ii) technical advice and information on sources of assistance, and liaison with other public and private services and programs; and

(iii) assistance in the selection of worker representatives in the event no union is present;

(3) collecting and disseminating information related to economic dislocation, including potential closings or layoffs, and all available resources with the state for dislocated workers;

(4) providing or obtaining appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in effort to avert dislocations;

(5) disseminating information throughout the state on the availability of services and activities carried out by the dislocated worker unit;

(6) assisting the local community in developing its own coordinated response to a plant closing or substantial layoff and access to state economic development assistance; and

(7) promoting the use of prefeasibility study grants under section 268.978.

Subd. 5. [EXPEDITIOUS RESPONSE ACTIVITIES.] Grantees designated to provide worker adjustment services through worker adjustment services plans shall be responsible for implementing the following expeditious response activities:

(1) establishing on-site contact with employer and employee representatives, not otherwise covered under rapid response, within a short period of time after becoming aware of a current or projected plant closing or mass layoff in order to provide information on available public programs and services;

(2) *obtaining appropriate financial and technical advice and liaison with local economic development agencies and other organizations to assist in efforts to avert dislocations;*

(3) *disseminating information on the availability of services and activities carried out by the grantee through its worker adjustment services plan;*

(4) *providing basic readjustment assistance services for up to 90 days following the initial on-site meeting with the employer and employee representatives;*

(5) *assisting the local community in the development of its own coordinated response to the closure or layoff and access to economic development assistance;*

(6) *facilitating the formation of a community task force, if appropriate, to formulate a service plan to assist affected dislocated workers from plant closings and mass layoffs;*

(7) *conducting surveys of workers, if appropriate, affected by plant closings or layoffs to identify worker characteristics and worker adjustment service needs; and*

(8) *facilitating access to available public or private programs and services, including the development of proposals to provide access to additional resources to assist workers affected by plant closings and substantial layoffs.*

Sec. 104. Minnesota Statutes 1992, section 268.978, subdivision 1, is amended to read:

Subdivision 1. [PREFEASIBILITY STUDY GRANTS.] (a) The commissioner may make grants for up to ~~\$10,000~~ \$15,000 to eligible organizations to provide an initial assessment of the feasibility of alternatives to plant closings or substantial layoffs. The alternatives may include employee ownership, other new ownership, new products or production processes, or public financial or technical assistance to keep a plant open. Two or more eligible organizations may jointly apply for a grant under this section.

(b) Interested organizations shall apply to the commissioner for the grants. As part of the application process, applicants must provide a statement of need for a grant, information relating to the work force at the plant, the area's unemployment rate, the community's and surrounding area's labor market characteristics, information of efforts to coordinate the community's response to the plant closing or substantial layoff, a timetable of the prefeasibility study, a description of the organization applying for the grant, a description of the qualifications of persons conducting the study, and other information required by the commissioner.

(c) The commissioner shall respond to the applicant within five working days of receiving the organization's application. The commissioner shall inform each organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from those organizations that did not receive a grant, and the organization may reapply for the grant.

Sec. 105. [268.9781] [WORKER ADJUSTMENT SERVICES PLANS.]

Subdivision 1. [WORKER ADJUSTMENT SERVICES PLANS.] *The commissioner shall establish and fund worker adjustment services plans that*

are designed to assist dislocated workers in their transition to new employment. Authorized grantees shall submit a worker adjustment services plan biennially, with an annual update, in a form and manner prescribed by the commissioner. The worker adjustment services plan shall include information required in substate plans established under the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq. and a detailed description of expeditious response activities to be implemented under the plan.

Subd. 2. [GRANTEES.] Entities authorized to submit a worker adjustment services plan include substate grantees and up to six additional eligible organizations. Criteria for selecting the six authorized nonsubstate grantee eligible organizations shall be established by the commissioner, in consultation with the governor's job training council. The criteria include, but are not limited to:

- (1) the capacity to deliver worker adjustment services;*
- (2) an identifiable constituency from which eligible dislocated workers may be drawn;*
- (3) a demonstration of a good faith effort to establish coordination agreements with substate grantees in whose geographic area the organization would be operating;*
- (4) the capability to coordinate delivery of worker adjustment services with other appropriate programs and agencies, including educational institutions, employment service, human service agencies, and economic development agencies; and*
- (5) sufficient administrative controls to ensure fiscal accountability.*

Subd. 3. [COVERAGE.] (a) Persons eligible to receive worker adjustment services under this section include dislocated workers as defined in section 268.975, subdivision 3.

(b) Worker adjustment services available under this section shall also be available to additional dislocated workers as defined in section 268.975, subdivision 3a, when they can be provided without adversely affecting delivery of services to all dislocated workers.

Subd. 4. [SUBSTATE GRANTEE FUNDING.] (a) Funds allocated to substate grantees under section 268.022 for expeditious response activities and worker adjustment services under this section shall be allocated as follows:

(1) one-half of available funds shall be allocated to substate grantees based on an allocation formula prescribed by the commissioner, in consultation with the governor's job training council; and

(2) one-half of available funds shall be allocated based on need as demonstrated to the commissioner in consultation with the governor's job training council.

(b) The formula for allocating substate grantee funds must utilize the most appropriate information available to the commissioner to distribute funds in order to address the state's worker adjustment assistance needs. Information for the formula allocation may include, but is not limited to:

- (1) insured unemployment data;
- (2) dislocated worker special assessment receipts data;
- (3) small plant closing data;
- (4) declining industries data;
- (5) farmer-rancher economic hardship data; and
- (6) long-term unemployment data.

(c) The commissioner shall establish a uniform procedure for reallocating substate grantee funds. The criteria for reallocating funds from substate grantees not expending their allocations consistent with their worker adjustment services plans to other substate grantees shall be developed by the commissioner in consultation with the governor's job training council.

Sec. 106. [268.9782] [DISLOCATION EVENT SERVICES GRANTS.]

Subdivision 1. [DISLOCATION EVENT SERVICES GRANTS.] The commissioner shall establish and fund dislocation event services grants designed to provide worker adjustment services to workers displaced as a result of larger plant closings and substantial layoffs. Grantees shall apply for a dislocation event services grant by submitting a proposal to the commissioner in a form and manner prescribed by the commissioner. The application must describe the demonstrated need for intervention, including the need for retraining, the workers to be served, the coordination of available local resources, the services to be provided, and the budget plan.

Subd. 2. [GRANTEES.] (a) Entities authorized to submit dislocation event services grants include substate grantees and other eligible organizations. Nonsubstate grantees shall demonstrate they meet criteria established by the commissioner, in consultation with the governor's job training council. The criteria include, but are not limited to:

- (1) the capacity to deliver worker adjustment services;
- (2) an ability to coordinate its activities with substate grantees in whose geographic area the organization will be operating;
- (3) the capability to coordinate delivery of worker adjustment services with other appropriate programs and agencies, including educational institutions, employment service, human service agencies, and economic development agencies; and
- (4) sufficient administrative controls to ensure fiscal accountability.

(b) For purposes of this section, the state job service may apply directly to the commissioner for a dislocation event services grant only if the effect of a plant closing or substantial layoff is statewide or results in the termination from employment of employees of the state of Minnesota.

Subd. 3. [COVERAGE.] Persons who may receive worker adjustment services under this section are limited to dislocated workers affected by plant closings and substantial layoffs involving at least 50 workers from a single employer.

Subd. 4. [FUNDING.] The commissioner, in consultation with the governor's job training council, may establish an emergency funding process for dislocation event services grants. No more than 20 percent of the estimated

budget of the proposed grant may be awarded through this procedure. The grantee shall submit a formal dislocation event services grant application within 90 days of the initial award of emergency funding.

Sec. 107. Minnesota Statutes 1992, section 268.98, is amended to read:

268.98 [PERFORMANCE STANDARDS, REPORTING, COST LIMITATIONS.]

(a) *Subdivision 1. [PERFORMANCE STANDARDS.]* The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 268.977 sections 268.975 to 268.98. The commissioner may use, when appropriate, existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program *dislocated worker program* are effectively administered.

(b) *Not less than 20 percent of the funds expended under this section must be used to provide needs-related payments and other supportive services as those terms are used in subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1661d(b). This requirement does not apply to the extent that a program proposal requests less than 20 percent of such funds. At the end of the fiscal year, each substate grantee and each grant recipient shall report to the commissioner on the types of services funded under this paragraph and the amounts expended for such services. By January 15 of each year, the commissioner shall provide a summary report to the legislature.*

Subd. 2. [REPORTS.] (a) Grantees receiving funds under sections 268.9771, 268.978, 268.9781, and 268.9782 shall report to the commissioner information on program participants, activities funded, and utilization of funds in a form and manner prescribed by the commissioner.

(b) *The commissioner shall report quarterly to the governor's job training council information on prefeasibility study grants awarded, rapid response and expeditious response activities, worker adjustment services plans, and dislocation event services grants. Specific information to be reported shall be by agreement between the commissioner and the governor's job training council.*

(c) *The commissioner shall provide an annual report to the governor, legislature, and the governor's job training council on the administration of the programs funded under sections 268.9771, 268.978, 268.9781, and 268.9782.*

Subd. 3. [COST LIMITATIONS.] (a) For purposes of sections 268.9781 and 268.9782, funds allocated to a grantee are subject to the following limitations:

(1) *a maximum of 15 percent for administration in a worker adjustment services plan and ten percent in a dislocation event services grant;*

(2) *a minimum of 50 percent for provision of training assistance;*

(3) *a minimum of ten percent and maximum of 30 percent for provision of support services; and*

(4) *the balance used for provision of basic readjustment assistance.*

(b) A waiver of the cost limitation on providing training assistance may be requested. The waiver may not permit less than 30 percent of the funds be spent on training assistance.

(c) The commissioner shall prescribe the form and manner for submission of an application for a waiver under paragraph (b). Criteria for granting a waiver shall be established by the commissioner in consultation with the governor's job training council.

Sec. 108. Minnesota Statutes 1992, section 298.2211, subdivision 3, is amended to read:

Subd. 3. [PROJECT APPROVAL.] All projects authorized by this section shall be submitted by the commissioner to the iron range resources and rehabilitation board, which shall recommend approval or disapproval or modification of the projects. ~~Each project shall then be submitted to the legislative advisory committee for any review and comment the committee deems appropriate.~~ Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 469.174 to 469.179, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project, as so approved by the board and the applicable governing bodies, if any, together with ~~any comment provided by the legislative advisory committee,~~ detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.

Sec. 109. Minnesota Statutes 1992, section 298.2213, subdivision 4, is amended to read:

Subd. 4. [PROJECT APPROVAL.] The board shall by August 1, 1987, and each year thereafter prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by at least eight iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects must be submitted to the ~~legislative advisory commission for its review. The list with the recommendation of the legislative advisory commission must be submitted to the~~ governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a

project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time. Supplemental projects must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by a member is for further review, the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Sec. 110. Minnesota Statutes 1992, section 298.223, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the iron range resources and rehabilitation board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the governor. The commissioner may submit supplemental projects for approval at any time. Supplemental projects approved by the board must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by any member is for further review the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Sec. 111. Minnesota Statutes 1992, section 298.28, subdivision 7, is amended to read:

Subd. 7. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this subdivision shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1, and shall be increased in 1989, 1990, and 1991 according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amount distributed per ton shall be the same as the amount distributed per ton in 1991. In 1994, the amount distributed shall be the distribution per ton for 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. That amount shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price

deflator as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

Sec. 112. Minnesota Statutes 1992, section 298.296, subdivision 1, is amended to read:

Subdivision 1. [PROJECT APPROVAL.] The board shall by August 1 of each year prepare a list of projects to be funded from the northeast Minnesota economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the board unless it finds that:

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(b) the prospective benefits of the expenditure exceed the anticipated costs; and

(c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by at least eight iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects shall be submitted to the legislative advisory commission for its review. The list with the recommendation of the legislative advisory commission shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time. Supplemental projects must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by any member is for further review the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Sec. 113. Minnesota Statutes 1992, section 303.13, subdivision 1, is amended to read:

Subdivision 1. [FOREIGN CORPORATION.] A foreign corporation shall be subject to service of process, as follows:

(1) By service on its registered agent;

(2) When any foreign corporation authorized to transact business in this state fails to appoint or maintain in this state a registered agent upon whom

service of process may be had, or whenever any registered agent cannot be found at its registered office in this state, as shown by the return of the sheriff of the county in which the registered office is situated; or by an affidavit of attempted service by any person not a party, or whenever any corporation withdraws from the state, or whenever the certificate of authority of any foreign corporation is revoked or canceled, service may be made by delivering to and leaving with the secretary of state, or with any *authorized* deputy or clerk in the ~~corporation department of the~~ secretary of state's office, two copies thereof and a fee of ~~\$35~~ \$50; provided, that after a foreign corporation withdraws from the state, pursuant to section 303.16, service upon the corporation may be made pursuant to the provisions of this section only when based upon a liability or obligation of the corporation incurred within this state or arising out of any business done in this state by the corporation prior to the issuance of a certificate of withdrawal.

(3) If a foreign corporation makes a contract with a resident of Minnesota to be performed in whole or in part by either party in Minnesota, or if a foreign corporation commits a tort in whole or in part in Minnesota against a resident of Minnesota, such acts shall be deemed to be doing business in Minnesota by the foreign corporation and shall be deemed equivalent to the appointment by the foreign corporation of the secretary of the state of Minnesota and successors to be its true and lawful attorney upon whom may be served all lawful process in any actions or proceedings against the foreign corporation arising from or growing out of the contract or tort. Process shall be served in duplicate upon the secretary of state, together with *the address to which service is to be sent* and a fee of ~~\$35~~ \$50 and the secretary of state shall mail one copy thereof to the corporation at ~~its~~ *the last known* address *listed on the records of the secretary of state or the address provided by the party requesting service*, and the corporation shall have 30 days within which to answer from the date of the mailing, notwithstanding any other provision of the law. The making of the contract or the committing of the tort shall be deemed to be the agreement of the foreign corporation that any process against it which is so served upon the secretary of state shall be of the same legal force and effect as if served personally on it within the state of Minnesota.

Sec. 114. Minnesota Statutes 1992, section 303.21, subdivision 3, is amended to read:

Subd. 3. [OTHER INSTRUMENTS.] A fee of ~~\$35~~ \$50 shall be paid to the secretary of state for filing any instrument, other than the annual report required by section 303.14, required or permitted to be filed under the provisions of this chapter. For filing the annual report a fee of \$20 must be paid to the secretary of state. The fees shall be paid at the time of the filing of the instrument.

Sec. 115. Minnesota Statutes 1992, section 322A.16, is amended to read:

322A.16 [FILING IN OFFICE OF SECRETARY OF STATE.]

(a) A signed copy of the certificate of limited partnership, of any certificates of amendment or cancellation or of any judicial decree of amendment or cancellation shall be delivered to the secretary of state. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of the executor's authority as a prerequisite to filing. Unless the secretary of state finds that any certificate does not conform to law, upon receipt of a ~~\$35~~ \$50 filing fee and, in the case of a certificate of limited partnership, a ~~\$60~~ \$50 initial fee, the secretary shall:

(1) endorse on the original the word "Filed" and the day, month and year of the filing; and

(2) return the original to the person who filed it or a representative.

(b) Upon the filing of a certificate of amendment or judicial decree of amendment in the office of the secretary of state, the certificate of limited partnership shall be amended as set forth in the amendment, and upon the effective date of a certificate of cancellation or a judicial decree of it, the certificate of limited partnership is canceled.

Sec. 116. Minnesota Statutes 1992, section 333.20, subdivision 4, is amended to read:

Subd. 4. The application for registration shall be accompanied by a filing fee of ~~\$35~~ \$50, payable to the secretary of state; ~~provided, however, that a single credit of \$10 shall be given each applicant applying for reregistration of a mark hereunder for each \$10 filing fee paid by applicant for registration of the same trademark prior to the effective date of sections 333.18 to 333.31.~~

Sec. 117. Minnesota Statutes 1992, section 333.22, subdivision 1, is amended to read:

Subdivision 1. Registration of a mark hereunder shall be effective for a term of ten years from the date of registration and, upon application filed within six months prior to the expiration of such term or a renewal thereof, on a form to be furnished by the secretary of state, the registration may be renewed for additional ten-year terms provided that the mark is in use by the applicant at the time of the application for renewal and that there are no intervening rights. A renewal fee of ~~\$22~~ \$25 payable to the secretary of state shall accompany the application for renewal of the registration.

Sec. 118. Minnesota Statutes 1992, section 336.9-403, is amended to read:

336.9-403 [WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.]

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five-year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five-year period specified in subsection (2). Any such continuation statement must be signed by the secured party, set

forth the name, social security number or other tax identification number of the debtor, and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, identify the original statement by file number and filing date, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if the officer has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if the officer physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceedings are commenced by or against the debtor, the secured party shall notify the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number, the address of the debtor given in the statement, and the social security number or other tax identification number of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$7 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. An additional fee of \$7 shall be collected if more than one name is required to be indexed or if the secured party chooses to show a trade name for any debtor listed. The uniform fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and does not add additional debtor names to the financing statement shall be \$7. The fee for an amendment adding additional debtor names shall be \$14 if the amendment is in the form prescribed by the secretary of state and, if otherwise, \$17. The fee for an

amendment which is not in the form prescribed by the secretary of state but which does not add additional names shall be \$10.:

(a) for an original financing statement or statement of continuation on a standard form prescribed by the secretary of state, is \$15 for up to two debtor names and \$15 for each additional name thereafter;

(b) for an original financing statement or statement of continuation that is not on a standard form prescribed by the secretary of state, is \$20 for up to two debtor names and \$20 for each additional name thereafter;

(c) for an amendment on a standard form prescribed by the secretary of state that does not add debtor names, is \$15;

(d) for an amendment that is not on a standard form prescribed by the secretary of state and that does not add debtor names, is \$20;

(e) for an amendment on a standard form prescribed by the secretary of state that does add debtor names, is \$15 per debtor name;

(f) for an amendment that is not on a standard form prescribed by the secretary of state that does add debtor names, is \$20 per debtor name; and

(g) for each case in which the filing is subject to subsection (5) of section 336.9-402, \$5 in addition to the fee required above.

In no case will a filing officer accept more than four additional pages per financing statement for filing in the uniform commercial code records.

The secretary of state shall adopt rules for filing, amendment, continuation, termination, removal, and destruction of financing statements.

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle.

Sec. 119. Minnesota Statutes 1992, section 336.9-404, is amended to read:

336.9-404 [TERMINATION STATEMENT.]

(1) If a financing statement covering consumer goods is filed on or after January 1, 1977, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement. The termination statement must set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment; identify the original financing statement by file number and filing date; and be signed by the secured party. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor the secured party shall be liable to the debtor for \$100; and in addition for any loss caused to the debtor by such failure.

(2) On being presented with such a termination statement the filing officer must note it in the index. If a duplicate termination statement is provided, the filing officer shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, the filing officer may remove the originals from the files at any time after receipt of the termination statement, or having no such record, the filing officer may remove them from the files at any time after one year after receipt of the termination statement.

(3) There shall be no fee collected for the filing of a termination if the termination statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case. *The fee for filing a termination statement on a form that is not the standard form prescribed by the secretary of state is \$5.* If the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1), is also required.

Sec. 120. Minnesota Statutes 1992, section 336.9-405, is amended to read:

336.9-405 [ASSIGNMENT OF SECURITY INTEREST; DUTIES OF FILING OFFICER; FEES.]

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 336.9-403, clause (4). The uniform fee for filing, indexing, and furnishing filing data for a financing statement so indicating an assignment shall be the same as the fee prescribed in section 336.9-403, clause (5).

(2) A secured party of record may record an assignment of all or a part of the secured party's rights under a financing statement by the filing. *The assignment must be filed in the place where the original financing statement was filed of a separate written statement of. The assignment must be signed by the secured party of record, setting forth. The assignment must state: (i) the name and address of the secured party of record and the debtor as those items appear on the original financing statement or the most recently filed amendment, identifying (ii) the file number and the date of filing of the financing statement, giving (iii) the name and address of the assignee, and containing (iv) a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence.*

On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. The filing officer shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103. The filing officer shall also index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, index the assignment of the financing statement under the name of the assignee.

The uniform fee for filing, indexing, and furnishing filing data about such a separate statement of assignment shall be ~~\$7~~ \$15 for up to two debtor names and \$15 for each additional name thereafter if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus. *If the statement is in a form that is not the standard form prescribed by the secretary of state, the fee is \$20 for up to two debtor names and \$20 for each additional name thereafter. In each case, if where the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1), is also required. An additional fee of \$7 shall be charged if there is more than one name against which the statement of assignment is required to be indexed.*

Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of section 336.9-402) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than Laws 1976, chapter 135.

(3) After the disclosure or filing of an assignment under this section, the assignee is the secured party of record.

Sec. 121. Minnesota Statutes 1992, section 336.9-406, is amended to read:

336.9-406 [RELEASE OF COLLATERAL; DUTIES OF FILING OFFICER; FEES.]

A secured party of record may by signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, and identifies the original financing statement by file number and filing date. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon being presented with such a statement of release the filing officer shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. The uniform fee for filing and noting such a statement of release shall be \$7 \$15 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case. If the statement is not on the standard form prescribed by the secretary of state, the fee is \$20. If the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1), is also required.

Sec. 122. Minnesota Statutes 1992, section 336.9-407, is amended to read:

336.9-407 [INFORMATION FROM FILING OFFICER.]

(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall conduct a search of the statewide computerized uniform commercial code data base for any effective active financing statements naming a particular debtor and any statement of assignment thereof. The filing officer shall report the findings as of that the date and hour of the search by issuing:

(a) a certificate listing the file number, date, and hour of each filing and the names and addresses of each secured party therein;

(b) photocopies of those original documents on file and located in the office of the filing officer; or

(c) upon request, both the certificate and the photocopies referred to in (b).

The uniform fee for conducting the search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, shall be \$7 \$15 if the request is in the standard form prescribed by the secretary of state and otherwise. This uniform fee shall include up to ten photocopies of original documents. If the request for information is made on a form other than the standard form prescribed by the secretary of state, the fee shall be \$10 \$20 and shall include up to ten photocopies of original documents.

Another fee, at the same rate, shall also be charged for conducting a search and preparing a certificate showing federal and state tax liens on file with the filing officer naming a particular debtor.

There shall be an additional fee of ~~50 cents~~ *\$1 per page* for each financing statement and ~~each statement of assignment~~ or tax lien listed on the certificate and for each photocopy prepared in excess of the first ~~five~~ *ten*.

Notwithstanding the fees set in this section, a natural person who is the subject of data must, upon the person's request, be shown the data without charge, and upon request be provided with photocopies of the data upon payment of no more than the actual cost of making the copies.

Sec. 123. Minnesota Statutes 1992, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a ~~\$4 the filing fee and forward \$5 of that fee as a surcharge~~ on each filing or search, ~~except that the surcharge is \$5 during the fiscal year ending June 30, 1993.~~ By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state.

Sec. 124. Minnesota Statutes 1992, section 336A.04, subdivision 3, is amended to read:

Subd. 3. [FEES.] (a) The fee for filing and indexing a standard form for a lien notice, effective financing statement, ~~amendment~~, or continuation statement, and stamping the date and place of filing on a copy of the filed document furnished by the filing party is ~~\$10 when a single debtor name is listed. If more than one debtor's name is listed on a standard form, the fee is~~

~~\$17. If one debtor's name is listed on a nonstandard effective filing statement, assignment or continuation statement, or a nonstandard lien notice or assignment of a lien notice, the fee is \$13. If more than one debtor's name is listed on a nonstandard form, the fee is \$20 \$15 for up to two debtor names and \$15 for each additional name thereafter.~~

~~(b) The fee for filing an amendment on the standard form that does not add debtors' names to the lien notice or effective financing statement is \$10. If a nonstandard form is used, the fee is \$13. The fee for an amendment that adds debtors' names is \$17 if a standard form is used or \$20 if a nonstandard form is used. The fee for filing a partial release is \$10 if a standard form is used or \$13 if a nonstandard form is used.~~

~~(c) A fee may not be charged for filing a termination statement if the termination is filed within 30 days after satisfaction of the lien or security interest. Otherwise, the fee is \$10.~~

~~(4) (c) A county recorder shall forward \$5 of each filing fee collected under this subdivision to the secretary of state by the 15th of the month following the end of each fiscal quarter. The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund. The balance of the filing fees collected by a county recorder must be deposited in the general fund of the county.~~

Sec. 125. Minnesota Statutes 1992, section 336A.09, subdivision 2, is amended to read:

Subd. 2. [SEARCHES; FEES.] (a) If a person makes a request, the filing officer shall conduct a search of the computerized filing system for effective financing statements or lien notices and statements of assignment, continuation, amendment, and partial release of a particular debtor. The filing officer shall report the date, time, and results of the search by issuing:

(1) a certificate listing the file number, date, and hour of each effective financing statement found in the search and the names and addresses of each secured party on the effective financing statements or of each lien notice found in the search and the names and address of each lienholder on the lien notice;

(2) photocopies of the original effective financing statement or lien notice documents on file; or

(3) upon request, both the certificate and photocopies of the effective financing statements or lien notices.

(b) The uniform fee for conducting a search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, is \$10 \$15 fee per debtor name if the request is in the standard form prescribed by the secretary of state and otherwise is \$13. This uniform fee shall include ten photocopies of original documents. If the request for information is made on a form other than the standard form prescribed by the secretary of state, the fee is \$20 per debtor name and shall include ten photocopies of original documents. An additional fee of 50 cents \$1 per page must be charged for each listed filing and for each photocopy prepared in excess of the first five ten. If an oral or facsimile response is requested, there is an additional fee of \$5 per debtor name requested.

(c) A county recorder shall forward \$3 \$5 of each search fee collected under this subdivision to the secretary of state by the 15th of the month following each fiscal quarter. *The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund.* The balance of the search fees collected by a county recorder must be deposited in the general fund of the county.

Sec. 126. Minnesota Statutes 1992, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, *11 percent must be credited to the state arts account created in section 129D.06, for distribution as provided in that section,* and the remainder must be credited to the general fund.

Sec. 127. Minnesota Statutes 1992, section 359.01, subdivision 3, is amended to read:

Subd. 3. [FEES.] The fee for each commission shall not exceed \$40. *All fees shall be retained by the commissioner and shall be nonreturnable except that an overpayment of any fee shall be the subject of a refund upon proper application.*

Sec. 128. Minnesota Statutes 1992, section 359.02, is amended to read:

359.02 [TERM, BOND, OATH, REAPPOINTMENT.]

~~A notary commissioned under section 359.01 holds office for six years, unless sooner removed by the governor or the district court. Before entering upon the duties of office, a newly commissioned notary shall file the notary's oath of office with the secretary of state. Within 30 days before the expiration of the commission a notary may be reappointed for a new term to commence and to be designated in the new commission as beginning upon the day immediately following the date of the expiration. The reappointment takes effect and is valid although the appointing governor may not be in the office of governor on the effective day.~~

Subdivision 1. [EXPIRATION IN 1995.] Notary commissions issued before January 3, 1995, expire on January 31, 1995.

Subd. 2. [SIX-YEAR LICENSING PERIOD.] Notary commissions issued after January 31, 1995, expire at the end of the licensing period that will end every sixth year following January 31, 1995.

Subd. 3. [PARTIAL LICENSING PERIODS.] Notary commissions issued during a licensing period expire at the end of that period as set forth in this section.

Sec. 129. Minnesota Statutes 1992, section 386.65, is amended to read:

386.65 [EXAMINATION OF APPLICANTS FOR LICENSE.]

Subdivision 1. Applications for a license shall be made to the ~~board~~ commissioner and shall be upon a form to be prepared by the ~~board~~

commissioner and contain such information as may be required by it. Upon receiving such application, the ~~board~~ *commissioner* shall fix a time and place for the examination of such applicant. Notice of such examination shall be given to the applicant by certified mail, who shall thereon take the examination pursuant to such notice. The examination shall be conducted by the ~~board~~ *commissioner* under such rules as the ~~board~~ *commissioner* may prescribe, and such rules shall prescribe that the applicant must show qualification by experience, education or training to qualify as being capable of performing the duties of an abstracter whose work will be for the use and protection of the public. If application is made by a firm or corporation, one of the members or managing officials thereof shall take such examination. If the applicant successfully passes the examination and complies with all the provisions of sections 386.61 to 386.76, the ~~board~~ *commissioner* shall ~~cause its executive secretary~~ to issue a license to the applicant.

Sec. 130. Minnesota Statutes 1992, section 386.66, is amended to read:

386.66 [BOND OR ABSTRACTER'S LIABILITY INSURANCE POLICY.]

Before a license shall be issued, the applicant shall file with the ~~board~~ *commissioner* a bond or abstracter's liability insurance policy to be approved by the ~~chair or executive secretary~~ *commissioner*, running to the state of Minnesota in the penal sum of at least \$100,000 conditioned for the payment by such abstractor of any damages that may be sustained by or accrue to any person by reason of or on account of any error, deficiency or mistake arising wrongfully or negligently in any abstract, or continuation thereof, or in any certificate showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, made by and issued by such abstractor, provided however, that the aggregate liability of the surety to all persons under such bond shall in no event exceed the amount of such bond. In any county having more than 200,000 inhabitants the bond or insurance policy required herein shall be in the penal sum of at least \$250,000. Applicants having cash or securities or deposit with the state of Minnesota in an amount equal to the said bond or insurance policy shall be exempt from furnishing the bond or an insurance policy herein required but shall be liable to the same extent as if a bond or insurance policy has been given and filed. The bond or insurance policy required hereunder shall be written by some surety or other company authorized to do business in this state issuing bonds or abstracter's liability insurance policies and shall be issued for a period of one or more years, and renewed for one or more years at the date of expiration as principal continues in business. The aggregate liability of such surety on such bond or insurance policy for all damages shall, in no event, exceed the sum of said bond or insurance policy.

Sec. 131. Minnesota Statutes 1992, section 386.67, is amended to read:

386.67 [LICENSED ABSTRACTER, SEAL.]

A licensed abstracter furnishing abstracts of title to real property under the provisions hereof shall provide a seal, which seal shall show the name of such licensed abstracter, and shall file with the ~~executive secretary of the board~~ *commissioner* an impression of or copy made by such seal and the signatures of persons authorized to sign certificates on abstracts and continuations of abstracts and certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, issued by such licensed abstracter.

Sec. 132. Minnesota Statutes 1992, section 386.68, is amended to read:
386.68 [FEES.]

~~For The services specified in sections 386.61 to 386.76 following fees shall be set by the board must be paid to the commissioner: an examination fee of \$25; an initial licensing fee of \$50; and a license renewal fee of \$40.~~

Sec. 133. Minnesota Statutes 1992, section 386.69, is amended to read:
386.69 [LICENSES.]

Licenses issued by ~~said board~~ *the commissioner* under the provisions hereof shall recite that such bond or insurance policy has been duly filed and approved, and the license shall authorize the official, person, firm or corporation named in it to engage in and carry on the business of an abstractor of real estate titles in the county in which said official, person, firm or corporation is authorized to make abstracts. The license shall be issued for a period as determined by the ~~board commissioner~~, and shall thereafter be renewed upon conditions prescribed by the ~~board commissioner~~.

Sec. 134. [386.705] [ADMINISTRATIVE ACTIONS AND PENALTIES.]

An abstractor licensed under sections 386.61 to 386.76 is subject to the penalties imposed pursuant to section 45.027. The commissioner has all the powers provided in section 45.027 and shall proceed in the manner provided by that section in actions against abstractors.

Sec. 135. [386.706] [RULES.]

The commissioner may adopt rules necessary for the administration of sections 386.61 to 386.76.

Sec. 136. Minnesota Statutes 1992, section 462A.057, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] ~~There is established The agency may establish the Minnesota rural and urban homesteading program to be administered by the agency for the purpose of making grants or loans to eligible applicants to acquire, rehabilitate, and sell eligible property. The program is directed at single family residential properties in need of rehabilitation that are sold to "at risk" home buyers committed to strengthening the neighborhood and following a good neighbor policy.~~

Sec. 137. [462A.204] [FAMILY HOMELESS PREVENTION AND ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] *The agency may establish a family homeless prevention and assistance program to assist families who are homeless or are at imminent risk of homelessness. The agency may make grants to develop and implement family homeless prevention and assistance projects under the program. For purposes of this section, "families" means families and persons under the age of 18.*

Subd. 2. [SELECTION CRITERIA.] *The agency shall award grants to counties with a significant number or significant growth in the number of homeless families and that agree to focus their emergency response systems on homeless prevention and the securing of permanent or transitional housing for homeless families. The agency shall take into consideration the extent to which the proposed project activities demonstrate ways in which existing*

resources in an area may be more effectively coordinated to meet the program objectives specified under this section in awarding grants.

Subd. 3. [SET ASIDE.] At least one grant must be awarded in an area located outside of the metropolitan area as defined in section 473.121, subdivision 2. A county, a group of contiguous counties jointly acting together, or a community-based nonprofit organization with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

Subd. 4. [PROJECT REQUIREMENTS.] Each project must be designed to stabilize families in their existing homes, shorten the amount of time that families stay in emergency shelters, and assist families with securing transitional or permanent affordable housing throughout the grantee's area of operation. Each project must include plans for the following:

(1) use of existing housing stock, including the maintenance of current housing for those at risk;

(2) leveraging of private and public money to maximize the project impact;

(3) coordination and use of existing public and private providers of rental assistance, emergency shelters, transitional housing, and affordable permanent housing;

(4) targeting of direct financial assistance including assistance for rent, utility payments or other housing costs, and support services, where appropriate, to prevent homelessness and repeated episodes of homelessness;

(5) efforts to address the needs of specific homeless populations;

(6) identification of outcomes expected from the use of the grant award; and

(7) description of how the organization will use other resources to address the needs of homeless individuals.

Subd. 5. [AUTHORIZED USES OF GRANT.] A grant may be used to prevent or decrease the period of homelessness of families and to decrease the time period that families stay in emergency shelters. Grants may not be used to acquire, rehabilitate, or construct emergency shelters or transitional or permanent housing. Grants may not be used to pay more than 24 months of rental assistance for a family.

Subd. 6. [ADVISORY COMMITTEE.] Each grantee shall establish an advisory committee consisting of a homeless advocate, a homeless person or formerly homeless person, a member of the state interagency task force on homelessness, local representatives, if any, of public and private providers of emergency shelter, transitional housing, and permanent affordable housing, and other members of the public not representatives of those specifically described in this sentence. The grantee shall consult on a regular basis with the advisory committee in preparing the project proposal and in the design, implementation, and evaluation of the project. The advisory committee shall assist the grantee as follows:

(1) designing or refocusing the grantee's emergency response system;

(2) developing project outcome measurements; and

(3) assessing the short- and long-term effectiveness of the project in meeting the needs of families who are homeless, preventing homelessness, identifying and developing innovative solutions to the problem of homeless families, and identifying problems and barriers to providing services to homeless families.

Subd. 7. [REPORTING REQUIREMENTS.] Each grantee shall submit an annual project report to the state interagency task force on homelessness. The report must include the actual program results compared to program objectives. The state interagency task force shall report on program activities to all state agencies that provide assistance or services to homeless persons.

Sec. 138. [462A.206] [MORTGAGE FORECLOSURE PREVENTION AND EMERGENCY RENTAL ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The agency shall, within the limits of available appropriations, establish a mortgage foreclosure prevention and emergency rental assistance program to provide assistance to low-income and moderate-income persons who are facing the loss of their housing due to circumstances beyond their control. Priority for assistance under this section must be given to persons and families at or below 60 percent of area median income, adjusted for family size, as determined by the department of housing and urban development.

Subd. 2. [ADMINISTRATION.] The agency may contract with community-based, nonprofit organizations that meet the requirements specified in this section to provide either mortgage foreclosure assistance or rental assistance, or both. Preference must be given to nonprofit organizations that demonstrate the greatest ability to leverage program money with other sources of funding, or to organizations serving areas without access to mortgage foreclosure assistance or rental assistance. The agency may require an organization to match program money with other money or resources.

Subd. 3. [ORGANIZATION ELIGIBILITY.] A nonprofit organization must be able to demonstrate that it is qualified to deliver program services, has relevant expertise in mortgage foreclosure prevention or landlord and tenant procedures, and is able to perform the duties required under the program. An organization must provide the agency with a detailed description of how the proposed program would be administered, including the qualifications of staff. An organization may not be part of, nor affiliated with, a mortgage lender nor provide assistance to a household which occupies a housing unit owned or managed by the organization.

Subd. 4. [SELECTION CRITERIA.] The agency shall take the following criteria into consideration when determining whether an organization is qualified to administer the program:

(1) the prior experience of the nonprofit organization in establishing, administering, and maintaining a mortgage foreclosure prevention or a rental assistance program;

(2) the documented familiarity of the organization regarding mortgage foreclosure prevention procedures, landlord and tenant procedures, and other services available to assist with preventing the loss of housing;

(3) the reasonableness of the proposed budget in meeting the program objectives;

(4) the documented ability of the organization to provide financial assistance; and

(5) the documented ability of the organization to provide mortgage foreclosure prevention or other financial or tenant counseling.

Subd. 5. [DESIGNATED AREAS.] A program administrator must designate specific areas, communities, or neighborhoods within which the program is proposed to be operated for the purpose of focusing resources.

Subd. 6. [ASSISTANCE.] (a) Program assistance includes general information, screening, assessment, referral services, case management, advocacy, and financial assistance to borrowers who are delinquent on mortgage, contract for deed, or rent payments.

(b) Not more than one-half of program funding may be used for mortgage or financial counseling services.

(c) Financial assistance consists of:

(1) payments for delinquent mortgage or contract for deed payments, future mortgage or contract for deed payments for a period of up to six months, property taxes, assessments, utilities, insurance, home improvement repairs, or other costs necessary to prevent foreclosure; or

(2) delinquent rent payments, utility bills, any fees or costs necessary to redeem the property, future rent payments for a period of up to six months, and relocation costs if necessary.

(d) An individual or family may receive the lesser of six months or \$4,500 of financial assistance.

Subd. 7. [REPAYMENT.] The agency may require the recipient of financial assistance to enter into an agreement with the agency for repayment. The repayment agreement for mortgages or contract for deed buyers must provide that in the event the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence, the recipient shall repay all or a portion of the financial assistance. The agency may take into consideration financial hardship in determining repayment requirements. The repayment agreement may be secured by a lien on the property for the benefit of the agency.

Subd. 8. [REPORT.] By January 10 of every year, each nonprofit organization that delivers services under this section must submit a report to the agency that summarizes the number of people served, the number of applicants who were not served, sources and amounts of nonstate money used to fund the services, and the number and type of referrals to other service providers. The agency shall annually submit a report to the legislature by February 15 that summarizes the service provider reports, and provide an assessment of the effectiveness of the program in preventing mortgage foreclosure and homelessness.

Sec. 139. [462A.207] [MENTAL ILLNESS CRISIS HOUSING ASSISTANCE ACCOUNT.]

Subdivision 1. [CREATION.] The mental illness crisis housing assistance account is established as a separate account in the housing development fund. The assistance account consists of money appropriated to it.

Subd. 2. [RENTAL ASSISTANCE.] The account shall pay up to 90 days of rental assistance for persons with a diagnosed mental illness who require short-term inpatient care for stabilization.

Subd. 3. [ELIGIBILITY.] Rental assistance under this section is available only to persons of low and moderate income as determined by the department of housing and urban development.

Subd. 4. [ADMINISTRATION.] The agency may contract with organizations or government units experienced in rental assistance to operate the program under this section.

Sec. 140. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 17. [MORTGAGE FORECLOSURE PREVENTION AND EMERGENCY RENTAL ASSISTANCE.] The agency may spend money for the purposes of section 462A.206 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 141. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 18. [FAMILY HOMELESS PREVENTION AND ASSISTANCE.] The agency may spend money for the purposes of section 462A.204 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 142. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 19. [MENTAL ILLNESS CRISIS HOUSING ASSISTANCE.] The agency may spend money for the purpose of section 462A.207 and may pay the costs and expenses necessary and incidental to the development and operation of the program authorized in section 462A.206.

Sec. 143. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 20. [COMMUNITY DEVELOPMENT CORPORATIONS.] It may make grants to and enter into contracts with community development corporations under section 116J.982, and may pay the costs and expenses for the development and operation of the program.

Sec. 144. Minnesota Statutes 1992, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid up to \$55 for attending each regular and special meeting of the authority. Commissioners who are elected officials or full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are elected officials may receive the daily payment for a particular day only if they do not receive any other daily payment for public service on that day. Commissioners who are full-time state employees or full-time employees

of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source.

Sec. 145. [504.36] [PETS IN SUBSIDIZED HANDICAPPED ACCESSIBLE RENTAL HOUSING UNITS.]

In a multiunit residential building, a tenant of a handicapped accessible unit, in which the tenant or the unit, receives a subsidy that directly reduces or eliminates the tenant's rent responsibility must be allowed to have two birds or one spayed or neutered dog or one spayed or neutered cat. A renter under this section may not keep or have visits from an animal that constitutes a threat to the health or safety of other individuals, or causes a noise nuisance or noise disturbance to other renters. The landlord may require the renter to pay an additional damage deposit in an amount reasonable to cover damage likely to be caused by the animal. The deposit is refundable at any time the renter leaves the unit of housing to the extent it exceeds the amount of damage actually caused by the animal.

Sec. 146. [REPEALER.]

Minnesota Statutes 1992, sections 44A.12; 138.97; 239.05, subdivision 2c; 239.52; 239.78; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; 268.978, subdivision 3; 386.61, subdivision 3; 386.63; 386.64; and 386.70, are repealed.

Sec. 147. [EFFECTIVE DATES.]

Subdivision 1. [1993 APPROPRIATIONS.] Any provisions appropriating money for fiscal year 1993 are effective the day following final enactment.

Subd. 2. [STATE ARTS ACCOUNT.] Sections 59 and 126 are effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for community development and certain agencies of state government, with certain conditions; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; eliminating or transferring certain agency powers and duties; requiring studies and reports; amending Minnesota Statutes 1992, sections 3.30, subdivision 2, as amended; 15.38, by adding a subdivision; 15.50, subdivision 2; 16A.128, subdivision 2; 16A.28, by adding a subdivision; 16A.72; 16B.06, subdivision 2a; 44A.01, subdivisions 2 and 4; 44A.025; 82.21, by adding a subdivision; 116J.617; 116J.982; 216B.62, subdivisions 3 and 5; 237.295, subdivision 2, and by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 239.80, subdivisions 1 and 2; 257.0755; 268.022, subdivisions 1 and 2; 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; 268.365, subdivision 2; 268.55; 268.914, subdivision 1; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.223, subdivision 2; 298.28, subdivision 7; 298.296, subdivision 1; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 359.01, subdivision 3; 359.02; 386.65; 386.66; 386.67; 386.68; 386.69;

462A.057, subdivision 1; 462A.21, by adding subdivisions; and 469.011, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 116J; 116M; 129D; 239; 268; 386; 462A; and 504; proposing coding for new law as Minnesota Statutes, chapter 138A; repealing Minnesota Statutes 1992, sections 44A.12; 138.97; 239.05, subdivision 2c; 239.52; 239.78; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; 268.978, subdivision 3; 386.61, subdivision 3; 386.63; 386.64; and 386.70."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carl W. Kroening, Steven G. Novak, James P. Metzen, Ellen R. Anderson

House Conferees: (Signed) James I. Rice, Karen Clark, Jerry Dempsey, Bernie Lieder, Carlos Mariani

Mr. Kroening moved that the foregoing recommendations and Conference Committee report on S.F. No. 1613 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 47 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Krentz	Morse	Sams
Anderson	Flynn	Kroening	Murphy	Samuelson
Beckman	Frederickson	Langseth	Novak	Solon
Berg	Hanson	Lessard	Pappas	Spear
Berglin	Hottinger	Luther	Piper	Terwilliger
Bertram	Janezich	Marty	Pogemiller	Vickerman
Betzold	Johnson, D.J.	McGowan	Price	Wiener
Chandler	Johnson, J.B.	Metzen	Ranum	
Cohen	Kelly	Moe, R.D.	Reichgott	
Dille	Knutson	Mondale	Riveness	

Those who voted in the negative were:

Belanger	Johnson, D.E.	Laidig	Oliver	Robertson
Benson, D.D.	Johnston	Lesewski	Olson	Runbeck
Benson, J.E.	Kiscaden	Merriam	Pariseau	Stevens
Day				

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 1613 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Krentz	Mondale	Sams
Anderson	Flynn	Kroening	Morse	Samuelson
Beckman	Frederickson	Laidig	Murphy	Solon
Berglin	Hanson	Langseth	Novak	Spear
Bertram	Hottinger	Larson	Pappas	Stevens
Betzold	Janezich	Lessard	Piper	Stumpf
Chandler	Johnson, D.E.	Luther	Pogemiller	Terwilliger
Chmielewski	Johnson, D.J.	Marty	Price	Vickerman
Cohen	Johnson, J.B.	McGowan	Ranum	Wiener
Day	Kiscaden	Metzen	Reichgott	
Dille	Knutson	Moe, R.D.	Riveness	

Those who voted in the negative were:

Belanger	Berg	Merriam	Olson	Runbeck
Benson, D.D.	Johnston	Neuville	Pariseau	
Benson, J.E.	Lesewski	Oliver	Robertson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 690 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 690: A bill for an act relating to retirement; public employees retirement association; disability benefits; reducing the reduction in benefits to coordinate them with amounts received under workers' compensation law for certain former employees.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Murphy	Riveness
Anderson	Finn	Laidig	Neuville	Robertson
Beckman	Frederickson	Langseth	Novak	Runbeck
Benson, D.D.	Hanson	Larson	Oliver	Sams
Benson, J.E.	Hottinger	Lesewski	Olson	Samuelson
Berglin	Johnson, D.J.	Luther	Pappas	Stevens
Bertram	Johnson, J.B.	Marty	Pariseau	Stumpf
Betzold	Johnston	McGowan	Piper	Terwilliger
Chandler	Kelly	Merriam	Pogemiller	Vickerman
Chmielewski	Kiscaden	Metzen	Price	Wiener
Cohen	Knutson	Mondale	Ranum	
Day	Krentz	Morse	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1161 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1161: A bill for an act relating to retirement; public employees retirement association; permitting payment in lieu of salary deductions to obtain service credit notwithstanding a one-year time limitation.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Murphy	Robertson
Anderson	Dille	Laidig	Neuville	Runbeck
Beckman	Finn	Langseth	Novak	Sams
Belanger	Frederickson	Larson	Oliver	Samuelson
Benson, D.D.	Hanson	Lesewski	Olson	Spear
Benson, J.E.	Hottinger	Lessard	Pappas	Stevens
Berg	Johnson, D.J.	Luther	Pariseau	Stumpf
Berglin	Johnson, J.B.	Marty	Piper	Terwilliger
Bertram	Johnston	McGowan	Pogemiller	Vickerman
Betzold	Kelly	Merriam	Price	Wiener
Chandler	Kiscaden	Metzen	Ranum	
Chmielewski	Knutson	Mondale	Reichgott	
Cohen	Krentz	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 998 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 998: A bill for an act relating to the city of Saint Paul; providing for a housing rehabilitation program; authorizing the issuance of general obligation bonds.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Riveness
Anderson	Dille	Kroening	Murphy	Runbeck
Beckman	Finn	Laidig	Neuville	Sams
Belanger	Flynn	Langseth	Novak	Samuelson
Benson, D.D.	Frederickson	Larson	Oliver	Spear
Benson, J.E.	Hanson	Lesewski	Olson	Stevens
Berg	Hottinger	Lessard	Pappas	Stumpf
Berglin	Johnson, D.J.	Luther	Pariseau	Terwilliger
Bertram	Johnson, J.B.	Marty	Piper	Vickerman
Betzold	Johnston	McGowan	Pogemiller	Wiener
Chandler	Kelly	Merriam	Price	
Chmielewski	Kiscaden	Metzen	Ranum	
Cohen	Knutson	Mondale	Reichgott	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1450 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1450: A bill for an act relating to game and fish; authorizing expenditure of RIM funds for restoration of fish and wildlife habitat; directing a report on plantings of native trees and shrubs; amending Minnesota Statutes 1992, section 84.95, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Morse	Reichgott
Anderson	Flynn	Laidig	Murphy	Riveness
Beckman	Frederickson	Langseth	Neuville	Runbeck
Belanger	Hanson	Larson	Novak	Sams
Berglin	Hottinger	Lesewski	Oliver	Samuelson
Bertram	Johnson, D.J.	Lessard	Olson	Spear
Betzold	Johnson, J.B.	Luther	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Stumpf
Chmielewski	Kelly	McGowan	Piper	Terwilliger
Cohen	Kiscaden	Merriam	Pogemiller	Vickerman
Day	Knutson	Metzen	Price	Wiener
Dille	Krentz	Mondale	Ranum	

Mr. Benson, D.D.; Mrs. Benson, J.E.; Mr. Berg and Ms. Robertson voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1624 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1624: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Morse	Reichgott
Anderson	Day	Knutson	Murphy	Riveness
Beckman	Finn	Krentz	Neuville	Robertson
Belanger	Flynn	Laidig	Novak	Runbeck
Benson, D.D.	Frederickson	Langseth	Oliver	Sams
Benson, J.E.	Hanson	Larson	Olson	Samuelson
Berg	Hottinger	Lesewski	Pappas	Spear
Berglin	Janezich	Luther	Pariseau	Stevens
Bertram	Johnson, D.J.	Marty	Piper	Stumpf
Betzold	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Chandler	Johnston	Merriam	Price	Vickerman
Chmielewski	Kelly	Metzen	Ranum	Wiener

So the bill passed and its title was agreed to.

Mr. Luther moved that H.F. No. 1524 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 1524: A bill for an act relating to taxation; providing conditions and requirements for the issuance of public debt and for the financial obligations of authorities; providing an exemption from the mortgage registration tax; providing an exemption from an ad valorem taxation for certain lease purchase property; providing a property tax exemption for certain

property devoted to public use; amending Minnesota Statutes 1992, sections 80A.12, by adding a subdivision; 275.065, subdivision 7; 287.04; 447.45, subdivision 2; 475.67, subdivisions 3 and 13; and 501B.25; repealing Minnesota Rules, part 2875.3532.

Mr. Pogemiller moved to amend H.F. No. 1524, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1419.)

Page 3, after line 17, insert:

“Sec. 5. [1994 ENTITLEMENT ALLOCATION.]

The deduction required under Minnesota Statutes, section 474A.04, subdivision 1a, does not apply to an entitlement issuer's 1994 entitlement allocation if:

(1) *the entitlement issuer's 1992 entitlement allocation is carried forward and not permanently issued by the end of calendar year 1993; and*

(2) *federal authorization for mortgage bonds is not effective before October 1, 1993.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller then moved to amend H.F. No. 1524, as amended pursuant to Rule 49, adopted by the Senate May 4, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1419.)

Page 1, after line 23, insert:

“Sec. 2. Minnesota Statutes 1992, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any ~~isolated~~ sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2)

the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of

unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative association organized under chapter 308A, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in such association, or when such securities are issued as patronage dividends.

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities."

Page 3, line 21, delete "5" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon, insert "80A.15, subdivision 2;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1524 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Murphy	Riveness
Anderson	Finn	Langseth	Neuville	Robertson
Beckman	Flynn	Larson	Novak	Runbeck
Belanger	Frederickson	Lesewski	Oliver	Sams
Benson, D.D.	Hanson	Lessard	Olson	Samuelson
Benson, J.E.	Hottinger	Luther	Pappas	Spear
Berglin	Janezich	Marty	Pariseau	Stevens
Bertram	Johnson, J.B.	McGowan	Piper	Stumpf
Betzold	Johnston	Merriam	Pogemiller	Terwilliger
Chandler	Kelly	Metzen	Price	Vickerman
Cohen	Kiscaden	Mondale	Ranum	Wiener
Day	Knutson	Morse	Reichgott	

So the bill, as amended, was passed and its title was agreed to.

Mr. Luther moved that H.F. No. 299 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 299: A bill for an act relating to elections; changing requirements and procedures for maintaining precinct boundary data; appropriating money; amending Minnesota Statutes 1992, sections 204B.14, subdivisions 5 and 6; and 204B.146.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Langseth	Novak	Sams
Anderson	Finn	Larson	Oliver	Samuelson
Beckman	Flynn	Lesewski	Olson	Spear
Belanger	Frederickson	Lessard	Pappas	Stevens
Benson, D.D.	Hanson	Luther	Pariseau	Stumpf
Benson, J.E.	Hottinger	Marty	Piper	Terwilliger
Berglin	Janezich	McGowan	Price	Vickerman
Bertram	Johnson, J.B.	Merriam	Ranum	Wiener
Betzold	Johnston	Mondale	Reichgott	
Chandler	Kelly	Morse	Riveness	
Cohen	Kiscaden	Murphy	Robertson	
Day	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

Mr. Luther moved that H.F. No. 608 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H.F. No. 608: A bill for an act relating to agriculture; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; proposing coding for new law in Minnesota Statutes, chapter 18.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Mondale	Reichgott
Anderson	Dille	Krentz	Morse	Riveness
Beckman	Finn	Kroening	Murphy	Robertson
Belanger	Flynn	Laidig	Neuville	Runbeck
Benson, D.D.	Frederickson	Langseth	Novak	Sams
Benson, J.E.	Hanson	Larson	Oliver	Samuelson
Berg	Hottinger	Lesewski	Olson	Solon
Berglin	Janezich	Lessard	Pappas	Spear
Bertram	Johnson, D.E.	Luther	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	McGowan	Pogemiller	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener

So the bill passed and its title was agreed to.

Mr. Luther moved that S.F. No. 880 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

S.F. No. 880: A bill for an act relating to the environment; changing methods for assessing and collecting hazardous waste administration fees; providing for rulemaking; amending Minnesota Statutes 1992, sections 116.12; and 473.811, subdivision 5b.

Mr. Morse moved to amend S.F. No. 880 as follows:

Page 5, after line 13, insert:

“Sec. 3. [SINGLE BILLING STATEMENT; REPORT.]

(a) The commissioner of revenue, in cooperation with the pollution control agency, the office of waste management, the emergency response commission, and the seven metropolitan counties, shall evaluate the feasibility of collecting the following tax and fees using a single billing statement:

(1) the hazardous waste generator tax in Minnesota Statutes, section 115B.22;

(2) the hazardous waste administration fees in Minnesota Statutes, section 116.12;

(3) the pollution prevention fees in Minnesota Statutes, section 115D.12;
and

(4) the fees in Minnesota Statutes, sections 299K.09 and 299K.095.

(b) In doing the evaluation, the commissioner of revenue shall consider at least the following:

- (1) the benefits to the payers of the tax and fees;
- (2) the administrative cost savings;
- (3) the simplification possible in administering the tax and fee collections;
- (4) the degree of control that each of the affected agencies prefers to retain in administering its programs; and
- (5) any issues relating to cash flow from one fiscal year to the next.

(c) The commissioner of revenue shall submit a report by October 1, 1993, to the legislative commission on waste management, the senate environment and natural resources finance division, and the house of representatives committee on environment and natural resources finance. The report must include options and recommendations, including proposed legislation if necessary.

The motion prevailed. So the amendment was adopted.

S.F. No. 880 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Moe, R.D.	Reichgott
Anderson	Dille	Krentz	Mondale	Riveness
Beckman	Finn	Kroening	Morse	Robertson
Belanger	Flynn	Laidig	Neuyville	Runbeck
Benson, D.D.	Frederickson	Langseth	Novak	Sams
Benson, J.E.	Hanson	Larson	Oliver	Samuelson
Berg	Hottinger	Lesewski	Olson	Solon
Berglin	Janezich	Lessard	Pappas	Spear
Bertram	Johnson, D.E.	Luther	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	McGowan	Pogemiller	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.06 be suspended as it relates to the Conference Committee report on S.F. No. 1620. The motion prevailed.

S.F. No. 1620 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1620

A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and

administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

May 10, 1993

The Honorable Allan H. Spear
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1620, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1620 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [STATE GOVERNMENT APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1993,” “1994,” and “1995,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1993	1994	1995	BIENNIAL TOTAL
General	\$650,000	\$335,939,000	\$332,409,000	\$668,348,000
Environmental		206,000	206,000	412,000
Highway User		1,669,000	1,669,000	3,338,000
State Government				
Special Revenue		2,378,000	2,378,000	4,756,000
Special Revenue		4,338,000	4,338,000	8,676,000
Trunk Highway		1,032,000	1,032,000	2,064,000
Workers' Compensation		3,897,000	3,902,000	7,799,000
Game and Fish		140,000	140,000	280,000
TOTAL		349,599,000	346,074,000	695,673,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 2. LEGISLATURE

Subdivision 1. Total Appropriation	46,009,000	48,909,000
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Summary by Fund

General	45,977,000	48,877,000	
Trunk Highway	32,000	32,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Senate	14,736,000	15,787,000
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\$1,275,000 of the carryforward balance of the appropriation to the senate for fiscal year 1993 is canceled to the general fund.

Subd. 3. House of Representatives	20,500,000	21,904,000
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Funds previously appropriated to the house of representatives and carried forward into the biennium beginning July 1, 1993, may be used only as provided in this section. The first \$400,000 of any carryforward must be placed in a special account that may be used only for special sessions, interim activity, or other public hearing or outreach purposes and related activities. Any additional funds may be used only for technology or telecommunication system improvements and related activities.

Subd. 4. Legislative Coordinating Commission	6,835,000	7,342,000
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Summary by Fund

General	6,803,000	7,237,000	
Trunk Highway	32,000	32,000	

(a) Legislative Reference Library

1994	1995
903,000	874,000

(b) Revisor of Statutes

3,994,000	4,413,000
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(c) Great Lakes Commission

40,000	40,000
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(d) Legislative Commission on the Economic Status of Women

180,000 175,000

(e) Legislative Commission on Employee Relations

106,000 104,000

(f) Legislative Commission on Pensions and Retirement

504,000 524,000

(g) Legislative Commission on Planning and Fiscal Policy

57,000 56,000

The second 50 percent of the appropriation to the department of finance for the statewide systems project is available only if the commissioner of finance seeks and receives a recommendation from the legislative commission on planning and fiscal policy on the degree to which the project will improve legislative access to information on the systems. The recommendation is advisory only. Failure of the commission to make a recommendation within 30 days of the commissioner's request shall be considered a negative recommendation. The commissioner shall seek a recommendation no later than October 1, 1993.

The legislative commission on planning and fiscal policy shall appoint a working group to work with the department of finance to facilitate improved legislative access to executive branch budgeting and accounting information that is public data.

(h) Legislative Commission to Review Administrative Rules

136,000 134,000

(i) Legislative Commission on Waste Management

179,000 177,000

(j) Legislative Water Commission

99,000 99,000

The legislative water commission shall report to the legislature by March 1,

1994, on water supply constraints in the area to be served by the Lewis and Clark rural water system. The report shall include the commission's analysis of the environmental and public policy aspects of importing or exporting water from the state.

(k) Mississippi River Parkway Commission

42,000 32,000

Summary by Fund

General	10,000	
Trunk Highway	32,000	32,000

\$10,000 the first year is from the general fund to the Mississippi river parkway commission to study the feasibility of starting an annual "Mississippi river games" competition. The sports event would rotate between the Twin Cities, St. Louis, Memphis, and New Orleans. The study shall consider possible events and potential sources of funding. The study must include methods for ensuring that there will be an approximately equal number of participants of each gender in the games. The commission shall report to the state government divisions of the house and senate by February 1, 1994.

(l) Legislative Coordinating Commission
- General Support

273,000 267,000

(m) Legislative Coordinating Commission
- Nongeneral Support

463,000 516,000

\$70,000 the first year and \$72,000 the second year are reserved for unanticipated costs of agencies in this subdivision and subdivision 5. The legislative coordinating commission may transfer necessary amounts from this appropriation to the appropriations of the agencies concerned, and the amounts transferred are appropriated to those agencies to be spent by them. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$95,000 the first year and \$99,000 the second year are for the state contribution to the National Conference of State Legislatures.

\$83,000 the first year and \$87,000 the second year are for the state contribution to the Council of State Governments.

\$182,000 the first year and \$233,000 the second year are for the subcommittee on geographic information systems.

\$8,000 the first year and \$8,000 the second year are for the regent candidate advisory council.

\$25,000 the first year and \$15,000 the second year are for the higher education board candidate advisory council.

Notwithstanding Laws 1991, chapter 356, article 9, section 8, the terms of the members of the initial higher education board shall expire as provided by this section. Four of the members appointed by the governor shall have their terms expire in three years, one in five years, and one in seven years from July 1, 1991. One member appointed by each higher education system shall have a term expiring five years from July 1, 1991, and one member appointed by each higher education system shall have a term expiring seven years from July 1, 1991. Members shall choose their terms by lot.

The legislative coordinating commission shall study the feasibility of coordinating television production and other public outreach facilities between the house of representatives and the senate.

The legislative coordinating commission shall study the feasibility of allowing senators whose offices are in the state office building and who are concerned about personal security to park in the state office building parking ramp.

(n) General Reduction

(141,000) (142,000)

The legislative coordinating commission shall make a general reduction of \$283,000 in either year of the biennium from the legislative commissions. None

of the reduction may be taken from the legislative auditor, the legislative audit commission, or the legislative commission on employee relations.

Subd: 5. Legislative Audit Commission	3,938,000	3,949,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Legislative Audit Commission

15,000	15,000
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(b) Legislative Auditor

3,923,000	3,934,000
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\$115,000 the first year and \$115,000 the second year is for review of agency performance reports.

Subd. 6. Compensation Council

The salary increases for legislators and constitutional officers recommended in 1989 by the compensation council to take effect January 6, 1992, must not take effect until January 2, 1995.

A compensation council shall be appointed by September 1, 1993, in the manner provided in Minnesota Statutes, section 15A.082, subdivision 2. The compensation council, in consultation with outside compensation specialists, must evaluate and make recommendations to the senate committee on governmental operations and reform and the house committee on governmental operations and gambling on compensation levels, and procedures for periodically reviewing and adjusting compensation levels, for positions listed in Minnesota Statutes, sections 15A.081, subdivisions 1, 7, and 7b; and 15A.082, subdivision 1. The report must include comparisons with other comparable positions in the public and private sector and consider the non-monetary rewards of public service. The compensation council expires upon submission of the recommendations required by Minnesota Statutes, section 15A.082, subdivision 3.

Sec. 3. SUPREME COURT

Subdivision 1. Total Appropriation	\$ 18,135,000	\$ 18,135,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Supreme Court Operations

3,860,000 3,860,000

\$2,500 the first year and \$2,500 the second year are for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

\$25,000 the first year and \$25,000 the second year are to implement the racial bias task force recommendations.

Subd. 3. Civil Legal Services

4,507,000 4,507,000

\$4,507,000 the first year and \$4,507,000 the second year are for legal service to low-income clients and for family farm legal assistance under Minnesota Statutes, section 480.242. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium. A qualified legal services program, as defined in Minnesota Statutes, section 480.24, subdivision 3, may provide legal services to persons eligible for family farm legal assistance under Minnesota Statutes, section 480.242.

Subd. 4. Family Law Legal Services

877,000 877,000

\$877,000 the first year and \$877,000 the second year are to improve the access of low-income clients to legal representation in family law matters and must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

Subd. 5. State Court Administration

7,237,000 7,237,000

\$75,000 of the appropriation in Laws 1992, chapter 571, article 18, section 8, is available until expended for the advisory task force on the juvenile justice system.

Subd. 6. Law Library Operations

1,654,000 1,654,000

Sec. 4. COURT OF APPEALS	5,700,000	5,700,000
Sec. 5. DISTRICT COURTS	60,423,000	60,423,000
Sec. 6. BOARD OF JUDICIAL STANDARDS	177,000	177,000
Sec. 7. TAX COURT	518,000	515,000
Sec. 8. GOVERNOR AND LIEUTENANT GOVERNOR	3,470,000	3,471,000

This appropriation is to fund the offices of the governor and lieutenant governor.

\$16,000 the first year and \$16,000 the second year are for necessary expenses in the normal performance of the governor's duties for which no other reimbursement is provided.

\$1,000 the first year and \$1,000 the second year are for necessary expenses in the normal performance of the lieutenant governor's duties for which no other reimbursement is provided.

\$95,000 the first year and \$95,000 the second year are for membership dues of the National Governors Association.

\$20,000 the first year is for the Council of Great Lakes Governors.

During the biennium any seminars or training sessions regarding federal issues for federal budgeting that are conducted by the Washington office shall be made available to legislators and legislative staff. The Washington office shall notify the majority leader and the minority leader of the senate and the speaker and the minority leader of the house of representatives regarding the timing of the seminars.

By August 15 of each year, the commissioner of finance shall report to the chairs of the jobs, energy, and community development finance division of the senate

and the state government division of the house of representatives those personnel costs incurred by the office of the governor and the lieutenant governor that were supported by appropriations to other agencies during the previous fiscal year. The office of the governor shall inform the chairs of the divisions before initiating any interagency agreements.

Sec. 9. STATE AUDITOR	7,210,000	7,439,000
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\$77,000 the first year and \$77,000 the second year are for an account the auditor may bill for costs associated with conducting single audits of federal funds. During the biennium, this account may be used only when no other billing mechanism is feasible.

The total amount accumulated during the biennium ending June 30, 1993 for potential back pay of salary and benefits for an employee of the state auditor who was discharged from employment on April 15, 1991, but who is contesting the discharge, shall be carried forward by the office of the state auditor for use in the biennium ending June 30, 1995.

\$45,000 each year is for annual compliance audits for Hennepin county.

Sec. 10. STATE TREASURER	2,461,000	2,473,000
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\$1,135,000 each year is for the treasurer to pay for banking services by fees rather than by compensating balances.

Sec. 11. ATTORNEY GENERAL

Subdivision 1. Total Appropriation	22,641,000	22,470,000
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Summary by Fund

General	20,282,000	20,111,000
Special Revenue	178,000	178,000
Environmental	115,000	115,000
State Government		
Special Revenue	2,066,000	2,066,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Government Services

5,087,000	5,087,000
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Summary by Fund

General	3,021,000	3,021,000
State Government		
Special Revenue	2,066,000	2,066,000

Subd. 3. Public and Human Resources

4,840,000	4,358,000
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Summary by Fund

General	4,662,000	4,180,000
Special Revenue	178,000	178,000

\$500,000 the first year for the Mille Lacs treaty litigation is available for expenditure with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30. Any unencumbered balance remaining in the first year does not cancel, but is available for the second year.

Subd. 4. Law Enforcement

4,172,000	4,193,000
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Summary by Fund

General	4,057,000	4,078,000
Environmental	115,000	115,000

Subd. 5. Legal Policy and Administration

2,846,000	2,846,000
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Subd. 6. Business Regulation

4,310,000	4,317,000
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\$15,000 the first year and \$15,000 the second year to the business regulation program of the attorney general to conduct, or contract for, data collection and analysis regarding gender equity in high school athletics.

Subd. 7. Solicitor General

2,138,000	2,138,000
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In order to increase the accountability of all parties and to simplify the current practices for paying for legal services, the attorney general shall establish a task force to review and make recommendations to the legislature regarding funding options to pay for all legal services pro-

vided to executive branch agencies. In addition to attorney general staff, members of the task force shall include fiscal staff from both houses of the legislature, staff of the department of finance, and staff from small and large executive branch client agencies. The ability to pay shall not be the only criteria used to allocate legal services. The task force shall study funding options that insure the availability of legal services from the attorney general's office essential to meet program needs of all executive branch agencies. The attorney general shall report the recommendations of the task force to the legislature by March 1, 1994.

Subd. 8. General Reduction

(752,000) (469,000)

The attorney general shall allocate the general reduction among the office's programs.

Sec. 12. INVESTMENT BOARD

2,013,000 2,031,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$50,000 the first year and \$50,000 the second year are to evaluate bids for deferred compensation options and to review periodically the performance of companies currently under contract. All these costs must be assessed against the companies that have been awarded contracts.

Sec. 13. ADMINISTRATIVE HEARINGS

3,797,000 3,802,000

This appropriation is from the workers' compensation special compensation fund for considering workers' compensation claims.

\$100,000 each year is for an internship program in which students at Minnesota law schools will serve as law clerks for judges in the workers' compensation division.

\$180,000 each year is for additional clerical support for workers' compensation judges.

Sec. 14. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING

3,576,000 3,596,000

\$844,000 the first year and \$866,000 the second year are for the land management information center.

Sec. 15. ADMINISTRATION

Subdivision 1. Total Appropriation 28,370,000 27,200,000

Summary by Fund

General	24,148,000	22,978,000
Special Revenue	4,160,000	4,160,000
State Government		
Special Revenue	62,000	62,000

Subd. 2. Operations Management

4,823,000 4,645,000

Before purchasing and implementing electronic data interchange technology in the procurement process, the department must: (1) plan a reengineering of the process and develop a plan for implementing the reengineering; (2) develop policies and procedures on trading partner agreements for the project; (3) complete a life cycle analysis; and (4) develop a technology implementation plan. All plans and policies in this paragraph must be approved by the information policy office before hardware or software for the project is purchased.

The department shall assure that the EDI project is coordinated with the statewide systems project. The department shall involve affected state agencies and others in project planning and implementation.

Amounts appropriated for the EDI initiative may be spent in either year of the biennium.

The department of human services shall transfer \$33,000 each year to the department of administration to expand bulk purchasing of medical supplies for the medical assistance program.

Subd. 3. Intertechnologies Group

Summary by Fund

General	3,528,000	2,372,000
Special Revenue	4,160,000	4,160,000

The appropriation from the special revenue fund each year of \$4,160,000 is for

recurring costs of 911 emergency telephone service.

\$3,450,000 is appropriated as a loan from the general fund to the intertechnologies revolving fund for development of the STARS system. This amount must be repaid before the end of the biennium. Plans for expenditure of these funds must be approved by the information policy office before the funds are spent.

\$2,000,000 must be transferred from the intertechnology revolving fund to the general fund.

Notwithstanding any other law to the contrary, the commissioner of administration may, with the approval of the commissioner of finance, make loans from an internal service or enterprise fund to another internal service or enterprise fund.

Subd. 4. Facilities Management

8,850,000 8,860,000

\$4,485,000 the first year and \$4,484,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

\$150,000 the first year is to pay the department's portion of the settlement in *Sylvester Brothers, v. Burlington Northern, et al.*, for cleanup of the East Bethel landfill. The unobligated balance of the appropriation in Laws 1991, chapter 345, article 1, section 17, subdivision 4, for agency relocation, consolidation, and collocation, is canceled to the general fund.

The decision of the department of administration to deposit a March 1992 check from the Johns Manville Trust in the amount of \$302,749 in the asbestos abatement account in the state building fund is ratified.

Subd. 5. Administrative Management

Summary by Fund

General	4,603,000	4,656,000
Special Revenue	62,000	62,000

\$2,000 the first year and \$2,000 the

second year are for the state employees' band.

A biennial appropriation of \$124,000 to the commissioner of administration shall be used for processing and oversight of grants and allocations in the oil overcharge program. This appropriation is from oil overcharge money, as defined in Minnesota Statutes, section 4.071, in the special revenue fund.

\$1,271,000 the first year and \$1,272,000 the second year are for matching grants for public television.

\$600,000 the first year and \$600,000 the second year are for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota public television association. Special emphasis shall be given by public television grant recipients for children's programming such as the Sesame Street preschool educational program and extending Mr. Rogers Neighborhood to child care.

\$300,000 the first year and \$300,000 the second year are for operational grants to public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

\$356,000 the first year and \$331,000 the second year are for equipment grants to public radio stations. These grants must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations and Minnesota Public Radio, Inc.

\$25,000 the first year and \$25,000 the second year are for grants to the Twin Cities regional cable channel.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

\$80,000 each year is for transfer to the bureau of mediation services for the office of dispute resolution.

All grants made by the System of Technology to Achieve Results (STAR) shall be distributed in a manner to ensure that grants are awarded throughout the state.

Subd. 6. Management Analysis

535,000 609,000

The management analysis division shall study the desirability of creating an independent information policy office. The division shall report its findings to the legislative commission on planning and fiscal policy by December 1, 1993. The commission shall make recommendations for any needed legislative changes to the house of representatives and senate governmental operations committees by February 1, 1994.

Subd. 7. Information Policy Office

1,809,000 1,836,000

\$181,000 the first year and \$185,000 the second year must be subtracted from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A, in order to fund the intergovernmental information systems advisory council.

\$115,000 the first year and \$90,000 the second year are for giving opinions under Minnesota Statutes, section 13.072.

Sec. 16. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

326,000 334,000

Any unencumbered balance of the appropriation for the first year does not cancel and is available for use in the second year.

\$75,000 the first year and \$82,000 the second year are to create a memorial to Hubert H. Humphrey in the capitol area. Of these amounts, up to \$75,000 may be used by the board to select an appropriate site for the memorial. \$82,000 is available only as matched, one state dollar for three dollars, by contributions from non-state sources. The board shall establish design requirements, choose the design, and oversee construction of the memorial. In establishing the memorial, the board may accept money from nonstate sources

and contract with other private or public agencies. The appropriation is available until expended.

Sec. 17. FINANCE

Subdivision 1. Total Appropriation	24,527,000	16,662,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Economic Analysis

289,000	300,000
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Subd. 3. Accounting Services

19,303,000	12,711,000
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\$4,640,000 the first year and \$3,869,000 the second year are to implement the accounts receivable project. The commissioner of finance may transfer money to the commissioners of human services and revenue and the attorney general. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$10,300,000 the first year and \$4,700,000 the second year are for the statewide systems project. If the appropriation for the statewide systems project in either year is insufficient, the appropriation for the other year is available. The commissioner of finance shall report monthly during the biennium ending June 30, 1995, to the chairs of the senate finance committee and the house of representatives ways and means committee on the expenditure of this appropriation and the progress of the statewide systems project.

\$285,000 is for transfer by August 1, 1993, to the legislative commission on planning and fiscal policy for the purpose of improving legislative access to executive branch budgeting and accounting information. None of the other money appropriated in this section for the statewide systems project may be spent until the transfer to the legislative commission on planning and fiscal policy has occurred.

The budgeting and accounting portions of the statewide systems project must be

designed so that all public data in these systems are available to the legislature at the time the data are available to executive branch agencies.

The commissioner of finance, in consultation with affected agencies, shall re-engineer work processes in preparation for the new state accounting, purchasing, and personnel systems.

The commissioner shall develop a joint work plan with the department of administration to implement electronic data interchange. The commissioner shall prepare plans for migrating to open systems, and shall develop plans for an automated interface with the local government financial system. The commissioner must submit these plans to the information policy office for review and approval.

Subd. 4. Budget Analysis and Operations

2,089,000 2,147,000

By October 1, 1994, the commissioner of finance shall coordinate the preparation of a report which identifies the estimated direct and indirect budget savings anticipated from the enacted funding of investment initiatives within the fiscal year 1994-1995 budget. The report shall identify current and estimated future funding requirements as well as direct and indirect benefits by year covering the current and two future biennia. The commissioner shall subsequently report to the legislative commission on planning and fiscal policy by November 1 of each year documented costs and savings compared to original estimates. Each agency shall retain responsibility for monitoring and documenting savings. If actual savings and benefits vary from original estimates, the report must include agency plans to ensure ongoing savings.

Subd. 5. Cash and Debt Management

1,544,000 126,000

\$1,422,000 the first year is for grants to the cities of Minneapolis and St. Paul for debt service payments due on bonds issued for metropolitan area parks.

Subd. 6. Management and Administrative Services

1,302,000 1,378,000

Sec. 18. EMPLOYEE RELATIONS

Subdivision 1. Total Appropriation 8,059,000 7,932,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Human Resources Management

6,439,000 6,424,000

Thirty percent of the amount used each year to fund grants to the government training service is from the general fund. Seventy percent of the amount used each year to fund grants to the government training service must be subtracted from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A.

In order to maximize the delivery of services to the public, if layoffs of state employees as defined in Minnesota Statutes, chapter 43A, are necessary during the biennium ending June 30, 1995, the agency shall make every effort to reduce at least the same percentage of management and supervisory personnel as line and support personnel.

State agencies must demonstrate that they cannot use available staff before hiring outside consultants or services. As state agencies implement reductions in their operating budgets in the biennium ending June 30, 1995, agencies shall give priority to reducing spending on professional and technical contracts before laying off permanent employees. Agencies must report on the specific manner in which this directive is implemented to the senate finance and house ways and means committees by February 1, 1994, and February 1, 1995. Where outside consultants and services are necessary, agencies are encouraged to negotiate contracts that will involve permanent staff so as to upgrade and maximize training of state personnel. Money spent on outside consultants must be reported by February 1, 1995, to the senate finance and house of

representatives ways and means committees.

\$375,000 the first year and \$370,000 the second year is to begin implementation of the human resource management project recommendations regarding performance management system training, retraining project grants, centralized recruitment and redeployment, communications, and policy development.

The commissioner shall seek to enhance the availability of the job-sharing program under Minnesota Statutes, sections 43A.40 to 43A.46 to the extent that: (1) additional employees wish to participate in the program; and (2) use of the program is consistent with effective management of state agencies.

Subd. 3. Employee Insurance

1,620,000	1,508,000
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\$104,000 the first year and \$104,000 the second year from the general fund are for the right-to-know contracts administered through the employee insurance division.

Any refund to the state from the workers' compensation reinsurance association before July 1, 1995, is to be deposited in the general fund. The portion of the refund that is not attributable to the general fund shall be paid to the proper fund by the commissioner of finance.

\$1,416,000 the first year and \$1,312,000 the second year from the general fund are for workers' compensation reinsurance premiums.

\$100,000 each year is for a health promotion and disease prevention grant program for state agencies. A state agency may apply to the commissioner of employee relations for a grant of up to \$25,000. In evaluating grant applications, the commissioner shall give highest priority to proposals that will maximize health care cost savings, maximize increased productivity, and minimize workers compensation claims. Each agency that receives a grant under this section must establish a committee that includes affected employees. The committee must assist the agency

in planning, implementing, and evaluating the programs implemented with grant funds. The commissioner of employee relations must report to the legislature by January 15, 1996. The report must evaluate the results of the grant program, including the effect of the program on health care costs, workers' compensation claims, and productivity.

Sec. 19. REVENUE

Subdivision 1. Total Appropriation	73,531,000	74,087,000
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Summary by Fund

General	71,446,000	72,002,000
Environmental	91,000	91,000
Highway User	1,669,000	1,669,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Income Tax System

36,208,000	36,643,000
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\$3,100,000 each year is to improve direct services to taxpayers, expand individual and small business audit and nonfiler detection, and to provide ongoing development and support for new return filing and payment technologies.

Subd. 3. Withholding Tax System

5,651,000	5,639,000
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Subd. 4. Sales and Use Tax System

25,519,000	25,637,000
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Summary by Fund

General	23,459,000	23,577,000
Environmental	91,000	91,000
Highway User	1,669,000	1,669,000
Local Government Trust	300,000	300,000

Subd. 5. Property Tax System

6,128,000	6,143,000
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\$55,000 the first year and \$55,000 the second year must be subtracted from the total taconite production tax revenues distributed to local units of government. These amounts shall be credited to the general fund and appropriated to the de-

partment of revenue for the costs and expenses incurred by the department in collecting and distributing taconite production tax revenues.

Subd. 6. Reporting

The commissioner shall report quarterly to the chairs of the senate finance and tax committees and house of representatives ways and means and tax committees and to the commissioner of finance on all funds expended and corresponding revenues received in the audit and collection divisions.

Sec. 20. AMATEUR SPORTS COMMISSION

	451,000	451,000
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\$15,000 each year is available for promotion of women's sports.

Sec. 21. COMMISSIONER OF HUMAN RIGHTS

	3,211,000	3,171,000
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For 1993 - \$150,000

This appropriation is to pay workers' compensation claims.

Of this appropriation, \$40,000 is for enhancement of information systems. Before purchasing hardware and software, the department shall develop an agency-wide strategic information plan and submit the plan to the information policy office for review and approval. The department shall use the plan to determine future system management needs, including administration, software project management, support staffing, and information asset security. The department shall develop a project information system life cycle analysis to identify costs, benefits, and risks, and a comprehensive records retention schedule for paper and electronic records. With the approval of the information policy office, the balance of the \$40,000 appropriation not needed for analysis of information management functions, can be used by the department to purchase hardware and software.

Sec. 22. MILITARY AFFAIRS

Subdivision I. Total Appropriation

	9,248,000	9,249,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Training Facilities

5,361,000 5,362,000

The appropriation for planning and remodeling grants for 12 armories scheduled to be sold or disposed of pursuant to Laws 1992, chapter 511, article 2, section 50, is available until June 30, 1995.

Subd. 3. General Support

1,537,000 1,537,000

\$75,000 the first year and \$75,000 the second year are for expenses of military forces ordered to active duty under Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Enlistment Incentives

2,350,000 2,350,000

\$1,530,750 the first year and \$1,604,250 the second year are for the tuition reimbursement program.

\$484,250 the first year and \$410,750 the second year are for the reenlistment bonus program.

Obligations for the reenlistment bonus program, suspended on December 31, 1991, shall be paid from the amounts available within the entire enlistment incentives program.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Sec. 23. VETERANS AFFAIRS

3,103,000 3,119,000

Of this appropriation, \$310,000 is for grants to county veterans offices for training of county veterans service officers.

\$1,048,000 the first year and \$1,048,000 the second year are for emergency financial and medical needs of veterans. For

the biennium ending June 30, 1995, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. The commissioner of veterans affairs shall provide background information explaining why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate finance committee division on state government and the house governmental operations and gambling committee division on state government finance.

\$250,000 the first year and \$250,000 the second year are for a grant to the Vinland National Center.

Sec. 24. VETERANS OF FOREIGN WARS	31,000	31,000
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For carrying out the provisions of Laws 1945, chapter 455.

Sec. 25. MILITARY ORDER OF THE PURPLE HEART	10,000	10,000
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Sec. 26. DISABLED AMERICAN VETERANS	12,000	12,000
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For carrying out the provisions of Laws 1941, chapter 425.

Sec. 27. STATE-PAID INSURANCE SUPPLEMENT		
Subdivision 1. Appropriations	4,890,000	4,890,000

Except as limited by the direct appropriations in this section, the amounts necessary to pay increases in employer-paid insurance benefits during the biennium are appropriated to the commissioner of finance from the various funds in the state treasury from which salaries are paid. In the case of salaries that are paid from one

fund, but that fund is reimbursed by another fund, the amounts necessary to make those reimbursements are also appropriated.

Summary by Fund

General	3,750,000	3,750,000
Game and Fish	140,000	140,000
Trunk Highway	1,000,000	1,000,000

Subd. 2. Increases Covered

The state-paid insurance benefit increases covered by this section are those paid to classified and unclassified employees and officers in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota historical society, state university system, and community college system who are paid from state appropriations. The increases must be authorized by current law, be authorized by appropriate resolutions for employees of the legislature, or result from collective bargaining agreements and changes in employer-paid insurance benefits associated with those agreements which are given interim approval by the legislative commission on employee relations under Minnesota Statutes, sections 3.855 and 43A.18, or 179A.22, subdivision 4.

By January 1, 1994, the commissioner of employee relations must estimate any increases covered by this section and certify the amount necessary for each agency. During the biennium, the commissioner of finance shall transfer the necessary amounts to the proper accounts and shall promptly notify the house of representatives ways and means committee and the senate finance committee of the amount transferred to each appropriation account. If the appropriated amounts are insufficient, the commissioner of finance shall proportionally allocate available funding among agencies. Any appropriation balance remaining the first year does not cancel, but is available for the second year.

Sec. 28. GENERAL CONTINGENT
ACCOUNTS

550,000 550,000

Summary by Fund

General	200,000	200,000
Special Revenue	250,000	250,000
Workers' Compensation	100,000	100,000

The appropriations in this section must be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

The special revenue appropriation is available to be transferred to the attorney general when the costs to provide legal services to the health boards exceed the biennial appropriation to the attorney general from the special revenue fund. The boards receiving the additional services shall set their fees to cover the costs.

Sec. 29. TORT CLAIMS	300,000	300,000
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To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 30. MINNESOTA STATE RETIREMENT SYSTEM	2,200,000	2,200,000
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The amounts estimated to be needed for each program are as follows:

(a) Legislators

2,000,000	2,000,000
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Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11:

(b) Constitutional Officers

200,000	200,000
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Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 31. MINNEAPOLIS EMPLOYEES
RETIREMENT FUND

11,005,000

11,005,000

\$10,455,000 the first year and \$10,455,000 the second year are to the commissioner of finance for payment to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3. Payment must be made in four equal installments, March 15, July 15, September 15, and November 15, each year.

\$550,000 the first year and \$550,000 the second year are to the commissioner of finance for payment to the Minneapolis employees retirement fund for the supplemental benefit for pre-1973 retirees under Minnesota Statutes, section 356.865.

Sec. 32. POLICE AND FIRE AMORTI-
ZATION AID

3,970,000

6,055,000

\$3,417,000 the first year and \$5,055,000 the second year are to the commissioner of revenue for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, under Minnesota Statutes, section 423A.02. The reduction of \$2,085,000 the first year from amounts otherwise payable as amortization aid and supplemental amortization aid is due to excess investment earnings by the Minneapolis police and fire relief associations and reduces the aid apportionment otherwise payable to the city of Minneapolis on July 15, August 31, September 15, and November 15, 1993.

\$553,000 the first year and \$1,000,000 the second year are to the commissioner of revenue for supplemental state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations under Minnesota Statutes, section 423A.02, subdivision 1a.

Sec. 33. [BASE CUT TRANSFERS.]

For any agency assigned base cuts in this act, the proportion of agency base cuts for pass-through grants compared to total agency base cuts may not exceed the proportion of dollars appropriated for pass-through grants in the agency compared to total dollars appropriated to that agency.

Sec. 34. [3.196] [AUDITS.]

The house of representatives and the senate shall each contract with the state auditor or a certified public accountant to perform an audit at least biennially.

Sec. 35. Minnesota Statutes 1992, section 3.971, is amended by adding a subdivision to read:

Subd. 3. The legislative auditor, on a biennial schedule, shall review agency performance reports to review and comment on the appropriateness, validity, and reliability of the outcome measures and data collection efforts. The legislative auditor shall report the findings to agencies, the governor, the speaker of the house of representatives, and the president of the senate.

Sec. 36. Minnesota Statutes 1992, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them, *except that the attorney general may not assess the department of human rights for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department.* The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.

The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them; except that the attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01.

Sec. 37. [11A.075] [DISCLOSURE OF EXPENSE REIMBURSEMENT.]

(a) A member or employee of the state board must annually disclose expenses paid for or reimbursed by: (1) each investment advisor, consultant, or outside money manager under contract to the state board; (2) each investment advisor, consultant, or outside money manager that has bid on a contract offered by the state board during that year; and (3) each business, including officers or employees of the business, in which the state board has invested money under the board's control during the annual reporting period. The disclosure requirement of this paragraph does not apply to expenses or reimbursements from an investment advisor, consultant, money manager or business if the board member or employee received less than \$50 during the annual reporting period from that person or entity.

(b) For purposes of this section, expenses include payments or reimbursements for meals, entertainment, transportation, lodging, and seminars.

(c) The disclosure required by this section must be filed with the ethical practices board by April 15 each year. Each disclosure report must cover the

previous calendar year. The statement must be on a form provided by the ethical practices board. An individual who fails to file the form required by this section or who files false information, is subject to penalties specified in sections 10A.09 and 10A.10.

Sec. 38. [13.072] [OPINIONS BY THE COMMISSIONER.]

Subdivision 1. [OPINION; WHEN REQUIRED.] (a) Upon request of a state agency, statewide system, or political subdivision, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a state agency, statewide system, or political subdivision, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data. If the commissioner determines that no opinion will be issued, the commissioner shall give the state agency, statewide system, political subdivision, or person requesting the opinion notice of the decision not to issue the opinion within five days of receipt of the request. If this notice is not given, the commissioner shall issue an opinion within 20 days of receipt of the request. For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The state agency, statewide system, or political subdivision must be provided a reasonable opportunity to explain the reasons for its decision regarding the data. The commissioner or the state agency, statewide system, or political subdivision may choose to give notice to the subject of the data concerning the dispute regarding the data.

(b) This section does not apply to a question involving the exercise of a discretionary power specifically granted by statute to a responsible authority to withhold or grant access to government data in a manner different than the data's general statutory classification.

(c) A written opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Subd. 2. [EFFECT.] Opinions issued by the commissioner under this section are not binding on the state agency, statewide system, or political subdivision whose data is the subject of the opinion, but must be given deference by a court in a proceeding involving the data. The commissioner shall arrange for public dissemination of opinions issued under this section. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written opinion. A state agency, statewide system, political subdivision, or person that acts in conformity with a written opinion of the commissioner is not liable for compensatory or exemplary damages or awards of attorneys fees in actions under section 13.08 or for a penalty under section 13.09.

Subd. 3. [FEE.] A state agency, statewide system, or political subdivision that requests an opinion must pay a fee of \$200 for each request.

Sec. 39. [15.90] [PURPOSE.]

The purposes of sections 15.90 to 15.92 are:

(1) to generate information so that the legislature can determine the extent to which state programs are successful;

(2) to develop clear goals and priorities for state programs;

(3) to strengthen accountability to Minnesotans by providing a record of state government's performance in providing effective and efficient services; and

(4) to create appropriate incentives and systems that will allow and encourage the best work by state employees.

Sec. 40. [15.91] [PERFORMANCE REPORTING FOR AGENCIES OF STATE GOVERNMENT.]

Subdivision 1. [DEFINITION.] For purposes of sections 15.90 to 15.92, "agency" means a department or agency, as designated in section 15.01.

Subd. 2. [PERFORMANCE REPORTS.] (a) Each agency shall develop a performance report for its operations. The report shall include each of the following items or an explanation of why an item does not apply to the agency:

(1) a statement of the mission, goals, and objectives of the agency including those set forth in statute;

(2) measures and goals of the output and outcome of the agency;

(3) identification of priority and other service populations, or other service measures, under current law and how those populations are expected to change within the period of the report;

(4) plans for how outcome information can be used as an incentive for improving state programs and program outcomes;

(5) requests for statutory flexibility needed to reach outcome goals;

(6) explanation of outcome information that could be available with new data collection systems; and

(7) other information that may be required.

The goals required under clause (1): (i) must be simple declarative statements of intent; (ii) should carry benchmarks for accomplishment; and (iii) should be specific enough so citizens can measure progress year to year.

(b) Each agency shall issue a draft report by November 1, 1993, a first annual report by September 1, 1994, and annual updated reports no later than September 1 of each year beginning in 1995. A report must cover a period of four years previous and two years in the future from the date that it is required to be issued, including previous forecasts versus actual measures.

(c) Each agency shall send a copy of each report issued to the governor, the speaker of the house of representatives, the president of the senate, the legislative commission on planning and fiscal policy, the legislative auditor, the commissioner of finance, and two copies to the legislative reference library.

(d) The legislative auditor shall review the drafts and give comments to agencies and the legislature before September 1, 1994, and shall review and give comments on annual reports on a rotating biennial schedule.

(e) State agency reports shall be compiled as required in this paragraph. The commissioner of finance; in consultation with the commissioner of administration, the legislative commission on planning and fiscal policy, and the finance committees and divisions of the house of representatives and senate, shall:

- (1) develop forms and instructions for the use of the agencies in the preparation of their reports;
- (2) work with individual agencies to determine acceptable measures of workload, output, and outcome for use in reports; and
- (3) request any needed additional information concerning any agency report submitted.

Each agency shall include citizens, agency clients, consumer and advocacy groups, worker participation committees, managers, elected officials, and contractors in its planning.

Sec. 41. [15.92] [WORKER PARTICIPATION COMMITTEES.]

(a) In the development of outcome measures and incentive programs, each agency shall create a committee including representatives of employees and employers. The committee must be given adequate time to perform the functions prescribed in paragraph (b). Each exclusive representative of employees shall select a committee member from each of its bargaining units in each affected agency. The head of each agency shall select an employee member from each unit of employees not represented by an exclusive representative. The agency head shall also appoint one or more committee members to represent the agency. The number of members appointed by the agency head, however, may not exceed the total number of members representing bargaining units.

(b) A committee established under paragraph (a) shall:

- (1) identify other employer and employee issues related to improving the delivery of the agency's program and services;
- (2) identify barriers to the effective and efficient delivery of services;
- (3) participate in the development of the agency's outcome measures and incentive programs; and
- (4) meet as desired for the purpose of developing solutions to problems shared by employees and employer within the agency.

Sec. 42. Minnesota Statutes 1992, section 15A.083, is amended by adding a subdivision to read:

Subd. 8. [LIMITS ON BONUS PAYMENTS.] Notwithstanding any law to the contrary, an employee of the state lottery or of a public corporation or nonprofit corporation created by law may not receive bonus payments in any year that exceed ten percent of the employee's base salary for that year. For purposes of this section, bonus payments include any combination of merit pay, achievement awards, or any other cash payments in addition to base salary, other than severance pay or overtime or holiday pay. Groups covered by this section include, but are not limited to, the Workers' Compensation Reinsurance Association, the Minnesota Insurance Guaranty Association, the Fair plan, the Joint Underwriters Association, the Minnesota Joint Under-

writers Association, the Life and Health Guaranty Association, the Minnesota Comprehensive Health Association, the Minnesota State High School League, Minnesota Technology, Inc., Agricultural Utilization Research Institute, Minnesota Project Outreach Corporation, State Fund Mutual Insurance Company, the World Trade Center Corporation, and the State Agricultural Society. This section does not give any entity authority to grant a bonus not otherwise authorized by law.

Sec. 43. Minnesota Statutes 1992, section 16A.011, subdivision 5, is amended to read:

Subd. 5. [APPROPRIATIONS WAYS AND MEANS COMMITTEE.] "~~Appropriations~~ Ways and means committee" means the ~~appropriations~~ chief fiscal committee of the house of representatives.

Sec. 44. Minnesota Statutes 1992, section 16A.011, subdivision 6, is amended to read:

Subd. 6. [BIENNIUM.] "Biennium" means a period of two consecutive fiscal years beginning in an odd-numbered calendar year and ending in the next odd-numbered calendar year. ~~On July 1, 1984, the current biennium is the 1983-1985 biennium.~~

Sec. 45. Minnesota Statutes 1992, section 16A.011, subdivision 14, is amended to read:

Subd. 14. [FISCAL YEAR:] "Fiscal year" means the period beginning at midnight between June 30 and July 1 and ending 12 months later. ~~On July 1, 1984, the current fiscal year is 1985.~~

Sec. 46. Minnesota Statutes 1992, section 16A.04, subdivision 1, is amended to read:

Subdivision 1. [TO PREPARE, CONSULT, SUPERVISE.] The commissioner shall prepare the biennial budget with ~~four-year~~ projections ~~on~~ of revenues and expenditures for both the biennial budget period and the biennium following the biennial budget period. The governor shall supervise the preparation unless there is a governor-elect, who then shall provide the supervision.

Sec. 47. Minnesota Statutes 1992, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. [LIST.] The commissioner shall:

- (1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out;
- (2) manage the state's financial affairs;
- (3) keep the state's general account books according to generally accepted government accounting principles;
- (4) keep expenditure and revenue accounts according to generally accepted government accounting principles;
- (5) develop, provide instructions for, prescribe, and manage a state uniform accounting system;
- (6) provide to the state the expertise to ensure that all state funds are

accounted for under generally accepted government accounting principles; and

(7) coordinate the development of, and ~~develop~~ *maintain* standards for, internal auditing in state agencies and, in cooperation with the commissioner of administration, report to the legislature and the governor by December 31, 1990 of even-numbered years, on progress made.

Sec. 48. Minnesota Statutes 1992, section 16A.06, subdivision 4, is amended to read:

Subd. 4. [~~OBJECTIVES REPORTING AGENCY PERFORMANCE.~~] ~~The commissioner from time to time shall require each executive agency to write objectives on the department's form for its authorized activities and functions. The objectives must be specific as to amount and time so that their performance can be measured. The objectives must cover the current and the next biennium. Executive agencies shall prepare performance-based budget plans according to schedules, forms, and standards as established by the commissioner. The commissioner may also require other periodic reports of agency performance.~~

Sec. 49. Minnesota Statutes 1992, section 16A.065, is amended to read:

16A.065 [PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.]

~~Despite Notwithstanding~~ section 16A.41, subdivision 1, the commissioner may allow an agency to make advance deposits or payments for software or software maintenance services for state-owned or leased electronic data processing equipment, for sole source maintenance agreements where it is not ~~cost effective~~ *cost-effective* to pay in arrears, for exhibit booth space rental when required by the renter to guarantee the availability of space, for registration fees where advance payment is required or advance payment discount is provided, and for newspaper, magazine, and other subscription fees customarily paid for in advance. The commissioner may also allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.

Sec. 50. Minnesota Statutes 1992, section 16A.10, subdivision 1, is amended to read:

Subdivision 1. [~~BY MAY + AND SEPTEMBER + BUDGET FORMAT.~~] *In each even-numbered calendar year the commissioner shall prepare the budget forms and instructions for all agencies, subject to the approval of the governor. The commissioner shall consult with request and receive advisory recommendations from the chairs of the senate finance committee and house of representatives appropriations ways and means committee, as well as their respective division chairs, before adopting a format for the biennial budget document. By May + June 15, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until June + July 15 to give the commissioner their advisory recommendations on possible improvements. By September 1, the commissioner shall send each agency enough forms to make its budget estimates. To facilitate this consultation, the commissioner shall establish a working group consisting of executive branch staff and designees of the chairs of the senate finance and house of representatives ways and means committees. The commissioner must*

involve this group in all stages of development of budget forms and instructions. The ~~forms~~ budget format must show actual expenditures and receipts for the two most recent fiscal years, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium, ~~and an estimated appropriation balance at the end of the current fiscal year.~~ Estimated expenditures must be classified by funds and character of expenditures and may be subclassified by programs and activities. Agency revenue estimates must show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

Sec. 51. Minnesota Statutes 1992, section 16A.10, subdivision 2, is amended to read:

Subd. 2. [BY OCTOBER ~~+~~ 15 AND NOVEMBER ~~+~~ 30.] By October ~~+~~ 15 of each even-numbered year, an agency must file the following with the commissioner:

- (1) ~~its~~ budget and departmental earnings estimates for the most recent and current fiscal years;
- (2) its upcoming biennial budget and departmental earnings estimates;
- (3) a comprehensive and integrated statement of agency missions and outcome and performance measures; and
- (4) a concise explanation of any ~~requests for increased appropriations, expansion planned changes in the level of services, or new activities;~~
- (~~3~~) a statement of work done during the current biennium and proposed for the next biennium; and
- (4) a list of each employee's name, title, and salary.

The commissioner shall prepare and file the budget estimates for an agency failing to file them. By November ~~+~~ 30, the commissioner shall send the final budget format, departmental earnings report, agency budget plans or requests for the next biennium, and copies of the filed material to the ~~appropriations~~ ways and means and finance committees, except that the commissioner shall not be required to transmit information that identifies executive branch budget decision items. At this time, a list of each employee's name, title, and salary must be available to the legislature, either on paper or through electronic retrieval.

Sec. 52. Minnesota Statutes 1992, section 16A.105, is amended to read:

16A.105 [DEBT CAPACITY FORECAST.]

By ~~January~~ 14 December 1 of each ~~odd-numbered~~ even-numbered year the governor shall submit to the legislature a debt capacity forecast. The debt capacity forecast must include statements of the indebtedness of the state for bonds, notes, and other forms of long-term indebtedness that are not accounted for in proprietary or fiduciary funds, including general obligation bonds, moral obligation bonds, revenue bonds, loans, grants payable, and capital leases. The forecast must show the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and the next six fiscal years, the debt authorized and

unissued, the condition of the sinking funds, and the borrowing capacity for the next six fiscal years.

Sec. 53. Minnesota Statutes 1992, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. [WHEN.] The governor shall submit a three-part budget to the legislature. Parts one and two, the budget message and detailed operating budget, must be submitted by the fourth ~~Monday~~ *Tuesday* in January in each odd-numbered year. Part three, the detailed recommendations as to capital expenditure, ~~need not be~~ *must be* submitted ~~until June 15~~ *as follows: agency capital budget requests by June 15 of each odd-numbered year; preliminary governor's recommendations by September 1 of each odd-numbered year; and final recommendations by February 1 of each even-numbered year.*

Sec. 54. Minnesota Statutes 1992, section 16A.11, subdivision 3, is amended to read:

Subd. 3. [PARTTWO: DETAILED BUDGET.] Part two of the budget, the detailed budget estimates both of expenditures and revenues, shall contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. *Part of the budget must be prepared using performance-based budgeting concepts. In this subdivision, "performance-based budgeting" means a budget system that identifies agency outcomes and results and provides comprehensive information regarding actual and proposed changes in funding and outcomes.* The detailed estimates shall include the budget ~~request plan~~ of each agency arranged in tabular form so it may readily be compared with the governor's budget for each agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the ~~complement approved by the legislature~~ *full-time equivalent positions* for the current biennium, ~~additional complement positions authorized through the governor or the commissioner, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of full-time equivalent employees of all kinds employed by the agency on June 30 of the last complete fiscal year. The summary of the number of employees must list employees by employment status, including but not limited to full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, full-time or part-time temporary, full-time or part-time emergency, and other. The summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.~~

Any increase in complement with the exception of federal positions, approved by the commissioner of finance as temporary positions, shall be reflected in the governor's budget recommendations to the legislature as change request items. These positions are not permanent positions until the legislature has approved the change request items.

Sec. 55. [16A.122] [WORK FORCE PLANNING AND REPORTING.]

Subdivision 1. [AGENCY AUTHORIZED WORK FORCE.] Within any limits imposed by law, state agencies may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions except that actual levels of employment are limited by availability of appropriated funding for salaries and benefits.

Subd. 2. [TRANSFERS FROM GRANTS PROHIBITED.] Unless otherwise provided by law, an agency must not use grant or flow-through funds for salaries or other operating purposes.

Subd. 3. [WORK FORCE REPORTING.] The commissioner shall prepare quarterly work force reports as required for accurate reporting of state employment levels, whether for internal analysis or for nationwide comparisons of public employment levels. The reports shall express total employment in terms of full-time equivalent positions; shall indicate changes from previous reporting periods; and shall take into account all positions, including full-time, part-time, temporary, and other employees. In this subdivision, a full-time equivalent position means 2,080 working hours per year; except that the number of work hours may vary, depending upon the exact number of working days in any given year. Independent contractors are not to be included within the definition of a full-time equivalent position.

Subd. 4. [BUDGET REPORTING.] For purposes of budgetary reporting, position counts must be expressed as full-time equivalents as stipulated in subdivision 3. Estimated positions must be based on actual funding in the year indicated. The biennial budget document submitted to the legislature by the governor shall indicate full-time equivalent base level positions, the number of projected positions, and the number of positions for each of the two years before the base year. The governor's budget recommendations shall clearly specify any proposed changes in full-time equivalent positions. All fiscal notes and any other budgetary items submitted to the legislature shall specify relevant changes, both in full-time equivalent positions and accompanying changes in salary dollars.

Sec. 56. [16A.1285] [DEPARTMENTAL EARNINGS.]

Subdivision 1. [DEFINITIONS.] In this section, "departmental earnings" means any charge for goods and services and any regulatory, licensure, or other similar charges levied by any state agency and paid by individuals, businesses, or other nonstate entities. This definition must not be construed to include general taxes collected by a state agency or charges for services provided by one state agency to another state agency.

Subd. 2. [POLICY.] Unless otherwise provided by law, specific charges falling within definitions stipulated in subdivision 1 must be set in the manner prescribed in this subdivision provided that: (1) agencies, when setting, adjusting, or authorizing any charge for goods or services that are of direct, immediate, and primary benefit to an individual, business, or other nonstate entity, shall set the charges at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services; or (2) that agencies, when setting, adjusting, or establishing regulatory, licensure, or other charges that are levied, in whole or in part, in the public interest shall recover, but are not limited to, the costs involved in performance and administration of the functions involved.

Subd. 3. [DUTIES OF THE COMMISSIONER OF FINANCE.] The commissioner of finance shall classify, monitor, analyze, and report all departmental earnings that fall within the definition established in subdivision 1. Specifically, the commissioner shall:

(1) establish and maintain a classification system that clearly defines and distinguishes categories and types of departmental earnings and takes into

account the purpose of the various earnings types and the extent to which various earnings types serve a public or private interest;

(2) prepare a biennial report that documents collection costs, purposes, and yields of all departmental earnings, the report to be submitted to the legislature on or before November 30 of each even-numbered year and to include estimated data for the year in which the report is prepared, actual data for the two years immediately before, and estimates for the two years immediately following; and

(3) prepare and maintain a detailed directory of all departmental earnings.

Subd. 4. [RULEMAKING.] (a) Unless otherwise exempted or unless specifically set by law, all charges for goods and services, licenses, and regulation must be established or adjusted as provided in chapter 14; except that agencies may establish or adjust individual charges when:

(1) charges for goods and services are provided for the direct and primary use of a private individual, business, or other similar entity;

(2) charges are nonrecurring;

(3) charges would produce insignificant revenues;

(4) charges are billed within or between state agencies; or

(5) charges are for admissions to or for use of public facilities operated by the state, if the charges are set according to prevailing market conditions to recover operating costs.

(b) In addition to the exceptions in paragraph (a), agencies may adjust charges, with the approval of the commissioner of finance, if the proposed adjustments are within consumer price level (CPI) ranges stipulated by the commissioner of finance, if the adjustments do not change the type or purpose of the item being adjusted.

(c) Any departmental earnings changes or adjustments authorized by the commissioner of finance must be reported to the chairs of the senate committee on finance and the house ways and means committee before August 1 of each year.

Subd. 5. [PROCEDURE.] The commissioner of finance shall review and comment on all departmental charges submitted for approval under chapter 14. The commissioner's comments and recommendations must be included in the statement of need and reasonableness and must address any fiscal and policy concerns raised during the review process.

Sec. 57. Minnesota Statutes 1992, section 16A.129, is amended by adding a subdivision to read:

Subd. 3. [CASH ADVANCES.] When the operations of any nongeneral fund account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may transfer general fund cash reserves into the accounts as necessary to meet cash demands. The cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. Any interest earned

on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made.

Sec. 58. Minnesota Statutes 1992, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget *reserve* and cash flow ~~reserve~~ account established in subdivision 6 as needed to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

Sec. 59. Minnesota Statutes 1992, section 16A.15, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO COMMITTEES.] The commissioner shall notify the committees on finance and taxes and tax laws of the senate and the committees on ~~appropriations~~ *ways and means* and taxes of the house of representatives of a reduction in an allotment under ~~subdivision 4~~ *this section*. The notice must be in writing and delivered within 15 days of the commissioner's act. The notice must specify:

- (1) the amount of the reduction in the allotment;
- (2) the agency and programs affected;
- (3) the amount of any payment withheld; and
- (4) any additional information the commissioner determines is appropriate.

Sec. 60. Minnesota Statutes 1992, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET RESERVE AND CASH FLOW RESERVE ACCOUNT ESTABLISHED.] A budget *reserve* and cash flow ~~reserve~~ account is created in the general fund in the state treasury. The commissioner of finance shall, as

authorized from time to time by law, restrict part or all of the budgetary balance before reserves in the general fund for use as may be necessary to fund the budget reserve and cash flow reserve account as provided by law from time to time. The commissioner of finance shall transfer from the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on July 1, 1992, to \$240,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 61. Minnesota Statutes 1992, section 16A.152, is amended by adding a subdivision to read:

Subd. 3. [USE.] The use of the budget reserve should be governed by principles based on the full economic cycle rather than the budget cycle. The budget reserve may be used when a negative budgetary balance is projected and when objective measures, such as reduced growth in total wages, retail sales, or employment, reflect downturns in the state's economy.

Sec. 62. Minnesota Statutes 1992, section 16A.152, is amended by adding a subdivision to read:

Subd. 5. [RESTORATION.] The restoration of the budget reserve should be governed by principles based on the full economic cycle rather than the budget cycle. Restoration of the budget reserve should occur when objective measures, such as increased growth in total wages, retail sales, or employment, reflect upturns in the state's economy. The budget reserve should be restored before new or increased spending commitments are made.

Sec. 63. Minnesota Statutes 1992, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning in November 1990, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow reserve account to \$550,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to 27 percent before money is allocated to the budget reserve and cash flow reserve account under the preceding sentence.

Sec. 64. Minnesota Statutes 1992, section 16A.28, is amended to read:

16A.28 [TREATMENT OF UNUSED APPROPRIATIONS.]

Subdivision 1. [CARRYFORWARD.] Agencies may carry forward unexpended and unencumbered nongrant operating balances from the first year of a biennium into the second year of the biennium.

Subd. 2. [USE OF CARRYFORWARD.] No money shall be carried forward without the approval of the commissioner of finance.

Subd. 3. [LAPSE.] Except as specifically provided for in appropriation acts, a part of an appropriation subject to this section Any portion of any appropriation not carried forward and remaining unexpended and unencum-

bered at the close of a fiscal year lapses. ~~The commissioner shall see that the remainder is returned to the fund from which it was originally appropriated.~~ Any appropriation amounts not carried forward and remaining unexpended and unencumbered at the close of a biennium lapse to the fund from which the appropriation was made.

Subd. 2 4. [REINSTATEMENT; FINAL LAPSE.] The commissioner may reinstate a lapsed appropriation within three months of the lapse. A reinstated appropriation lapses again no later than three months after it first lapsed. A payment under a reinstated appropriation may be made only under section 16A.15, subdivision 3.

Subd. 3 5. [PERMANENT IMPROVEMENTS.] An appropriation for permanent improvements, including the acquisition of real property does not lapse until the purposes of the appropriation are determined by the commissioner, after consultation with the affected agencies, to be accomplished or abandoned.

Subd. 4 6. [CANCELED SEPTEMBER 1.] On September 1 all allotments and encumbrances for the last fiscal year shall be canceled unless an agency head certifies to the commissioner that there is an encumbrance for services rendered or goods ordered in the last fiscal year, *or certifies that funding will be carried forward under subdivision 1.* The commissioner may: reinstate the part of the cancellation needed to meet the certified encumbrance or charge the certified encumbrance against the current year's appropriation.

Subd. 5 7. [EXCEPTIONS.] Except as otherwise expressly provided by law, subdivisions 1 to 4 6 apply to every appropriation of a stated sum for a specified purpose or purposes heretofore or hereafter made, but do not, unless expressly provided by law, apply to any fund or balance of a fund derived wholly or partly from special taxes, fees, earnings, fines, federal grants, or other sources that are by law appropriated for special purposes by standing, continuing, or revolving appropriations.

Sec. 65. Minnesota Statutes 1992, section 16A.281, is amended to read:

16A.281 [APPROPRIATIONS TO LEGISLATURE EXEMPT.]

Except as provided in this section, section 16A.28 does not apply applies to appropriations made to the legislature, the senate, the house of representatives or its committees or commissions. An appropriation made to the legislature, the senate, the house of representatives, or a legislative commission or committee other than a standing committee, if not spent during the first year, may be spent during the second year of a biennium. An unexpended balance not carried forward and remaining unexpended and unencumbered at the end of a biennium lapses and shall be returned to the fund from which appropriated. Balances may be carried forward into the next biennium and credited to special accounts to be used only as follows: (1) for nonrecurring expenditures on investments that enhance efficiency or improve effectiveness; (2) to pay expenses associated with special sessions, interim activities, public hearings, or other public outreach efforts and related activities; and (3) to pay severance costs of involuntary terminations. The approval of the commissioner of finance under section 16A.28, subdivision 2, does not apply to the legislature. An appropriation made to the legislature, the senate, the house of representatives, or a standing committee for all or part of a biennium may be spent in either year of the biennium or the year before or after the biennium.

Sec. 66. [16A.285] [ALLOWED APPROPRIATION TRANSFERS.]

An agency may transfer state agency operational money between programs within the same fund if: (1) the agency first notifies the commissioner as to the type and intent of the transfer; and (2) the transfer is consistent with legislative intent. If an amount is specified for an item within an activity, that amount must not be transferred or used for any other purpose.

The commissioner shall report the transfers to the chairs of the senate finance and house of representatives ways and means committees.

Sec. 67. Minnesota Statutes 1992, section 16A.58, is amended to read:

16A.58. [COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.]

The commissioner or the head of a state agency designated by the commissioner is the custodian of original documents on which money has been or may be paid out of or received in the state treasury.

Sec. 68. Minnesota Statutes 1992, section 16A.69, subdivision 2, is amended to read:

Subd. 2. [TRANSFER BETWEEN ACCOUNTS.] Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement, or upon the abandonment of the project, the agency to whom the appropriation was made may transfer the unencumbered balance in the project account to another project enumerated in the same section of that appropriation act. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of technical colleges, the total cost of both projects and the required local share for both projects are adjusted accordingly. The agency proposing a transfer shall report to the chair of the senate finance committee and the chair of the house appropriations of representatives ways and means committee before the transfer is made under this subdivision.

Sec. 69. Minnesota Statutes 1992, section 16A.72, is amended to read:

16A.72 [INCOME CREDITED TO GENERAL FUND; EXCEPTIONS.]

All income, including fees or receipts of any nature, shall be credited to the general fund, except:

- (1) federal aid;
- (2) contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law;
- (3) income to the University of Minnesota;
- (4) income to revolving funds now established in institutions under the control of the commissioners of corrections or human services;
- (5) investment earnings resulting from the master lease program, except that the amount credited to another fund or account may not exceed the amount of the additional expense incurred by that fund or account through participation in the master lease program;

(6) receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates;

(7) money received in payment for services of inmate labor employed in the industries carried on in the state correctional facilities which receipts shall be credited to the current expense fund of those facilities;

(8) as provided in sections 16B.57 and 85.22; or

(9) as otherwise provided by law; and

(10) income to the Minnesota historical society.

Sec. 70. Minnesota Statutes 1992, section 16B.24, subdivision 9, is amended to read:

Subd. 9. [SMOKING IN STATE BUILDINGS.] (a) To protect the public health, comfort, and environment and to protect the nonsmoker's right to a smoke-free environment, smoking in all buildings managed or leased by the commissioner under subdivisions 1 and 6 is prohibited except in *veterans homes* where smoking areas have been designated under a policy adopted in accordance with paragraph (b).

(b) ~~Except as provided in paragraph (c), each state agency shall adopt a smoking policy for the space it occupies. Before placing a policy in effect, the agency shall submit the policy and a plan for implementing it to the commissioner of employee relations. The policy must:~~

~~(1) prohibit smoking entirely; or~~

~~(2) A veterans home may permit smoking only in designated areas, providing that existing physical barriers and ventilation systems can be used to prevent the presence of smoke in adjacent nonsmoking areas.~~

~~(c) An agency need not adopt a new policy governing an area in which smoking is prohibited under a policy in effect on January 1, 1989.~~

No employee complaining of a ~~smoke induced discomfort violation of this subdivision~~ to a lessor, lessee, manager, or supervisor may be subjected to any disciplinary action as a result of making the complaint.

Sec. 71. Minnesota Statutes 1992, section 16B.41, as amended by Laws 1993, chapter 4, section 12, is amended to read:

16B.41 [STATE INFORMATION SYSTEMS MANAGEMENT POLICY OFFICE.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] ~~An office of information systems management is created.~~ The *information policy* office shall develop and establish a policy and standards for state agencies to follow for the development, purchase, and training for information systems. The purpose of the office is to develop, promote, and coordinate a state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues.

Subd. 2. [RESPONSIBILITIES.] The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information

systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies is used. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. ~~The commissioner of administration must establish interim standards and guidelines by August 1, 1987. The office must establish permanent standards and guidelines by July 1, 1988.~~ On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house ways and means committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, unless the office has approved the request.

(d) Each biennium the office must ~~rank in order of priority~~ rate agency requests for new appropriations for development or purchase of information systems equipment or software *based on established information management criteria*. ~~The office must submit this ranking rating to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature. The governor must provide information necessary to rate agency requests to the office.~~

(e) The office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education must not purchase interconnective computer technology without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office. *These standards and guidelines shall emphasize uniformity that encourages information interchange, open systems environments, and porta-*

bility of information whenever practicable and consistent with an agency's authority and the Minnesota government data practices act. The office, in consultation with the intergovernmental information systems advisory council and the legislative reference library, shall adopt specific standards and guidelines to be met by each state agency within a time period fixed by the office in regard to the following:

(1) establishment of methodologies and systems directed at reducing and ultimately eliminating redundant storage of data and encouraging greater use of central databases;

(2) establishment of data retention schedules, disaster recovery plans and systems, security systems, and procedural safeguards concerning privacy of data;

(3) establishment of pricing policies and incentives that encourage electronic transfer of information in electronic forms, while giving due consideration to the value and cost of providing the information in those forms. These pricing policies may include preferential prices for information requested by a public entity for a public purpose; and

(4) establishment of information sales systems that utilize licensing and royalty agreements to the greatest extent possible, together with procedures for agency denial of requests for licenses or royalty agreements by commercial users or resellers of the information. Section 3.751 does not apply to these licensing and royalty agreements and the agreements must include provisions that section 3.751 does not apply and that the state is immune from liability under the agreement.

If an agency needs additional funds to comply with the requirements of this paragraph, the agency must first obtain approval of the proposal by the office as required by paragraph (c) before submitting it to the legislature.

(g) The office must conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

(h) The office shall recommend to the legislature any statutory changes that are necessary or desirable to accomplish the duties described in this subdivision.

(i) The office must report to the legislature by January 15 each year on progress in implementing paragraph (f), clauses (1) to (4).

Subd. 3. [STAFF.] The office shall function as a division of the department of administration. The commissioner of administration shall appoint an interim office director and other interim staff and provide the necessary administrative support to the office. The employees and director shall serve in the unclassified service through June 30, 1988. On July 1, 1988, the employee positions established by this section, except the position of director, shall be placed in the classified service. The position of director shall remain in the unclassified service.

Subd. 4. [ADVISORY TASK FORCE.] The commissioner must appoint a state information systems advisory task force to help develop and coordinate

a state information architecture that is consistent with the information management direction developed by the information policy council, and make recommendations to the commissioner concerning the progress, direction, and needs of the state's information systems. The task force must include representatives of state agencies, the supreme court, higher education systems, librarians, local government, and private industry. The task force must also have two members of the house of representatives appointed by the speaker of the house and two members of the senate appointed by the senate committee on committees. No more than one member from the house of representatives and one from the senate shall be chosen from the same political party. The terms, compensation, and removal of nonlegislative members are as provided in section 15.059, but the task force does not expire until June 30, 1993.

Subd. 5. [COMPUTER IMPACT STATEMENT.] When a statutory change affects reporting and data collection requirements for local units of government, the state agency most responsible for the data collected and reported by the local units of government must file a computer impact statement with the office within 60 days of the final enactment of the statutory change. The statement must indicate the anticipated data processing costs associated with the change.

Sec. 72. Minnesota Statutes 1992, section 16B.43, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The authority of the commissioner under sections 16B.40 to 16B.42, 16B.44, and 16B.45 does not apply applies to ESV-IS, but applies and to SDE-IS and computer-related services provided to the department of education by the department of administration's information services bureau. For purposes of this section, "ESV-IS" and "SDE-IS" have the meanings given them in section 121.93.

Sec. 73. Minnesota Statutes 1992, section 16B.92, is amended to read:

16B.92 [LAND MANAGEMENT INFORMATION CENTER.]

Subdivision 1. [PURPOSE.] The purpose of the land management information center is to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development. The ~~commissioner~~ director, through the center, shall periodically study land use and natural resources on the basis of county, regional, and other political subdivisions.

Subd. 1a. [STATEWIDE NITRATE DATA BASE.] The ~~commissioner~~ director, through the center, shall maintain a statewide nitrate data base containing the data described in section 103A.403.

Subd. 2. [FEES.] The ~~commissioner~~ director shall set fees under section 16A.128, subdivision 2, reflecting the actual costs of providing the center's information products and services to clients. Fees collected must be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the ~~commissioner~~ director for operation of the land management information system, including the cost of services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the ~~department~~ office that is attributable to the land management information system. The ~~commissioner~~ director may require a state agency to make an

advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from operations must be distributed to the funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bear to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution.

Sec. 74. [TRANSFER OF LAND MANAGEMENT INFORMATION CENTER.]

Subdivision 1. [TRANSFER.] The land management information center is transferred from the department of administration to the office of strategic and long-range planning, under Minnesota Statutes, section 15.039.

Subd. 2. [REVISOR INSTRUCTION.] In the next edition of Minnesota Statutes, the revisor of statutes shall codify Minnesota Statutes, section 16B.92 in chapter 4A.

Sec. 75. Minnesota Statutes 1992, section 43A.045, is amended to read:

43A.045 [RESTRUCTURING.]

(a) It is the policy of the state of Minnesota that any restructuring of executive branch agencies be accomplished while ensuring must include efforts to ensure that fair and equitable arrangements are carried out to protect the interests of executive branch employees, and while facilitating to provide the best possible service to the public. The commissioner shall make an effort to train and retrain existing employees for a changing work environment. Where restructuring may involve a loss of existing positions and employment, the commissioner shall assist affected employees in finding suitable employment.

~~For~~ (b) Options available to employees whose positions will be eliminated by implementation of a restructuring plan, options presented to employees must include but not be limited to, at a minimum, job and training opportunities necessary to qualify for another job in the same, an equal, or a lower classification within their current department or a similar job in another state agency.

(c) Implementation of this section, as well as procedures for notifying employees affected by restructuring plans, must be negotiated into collective bargaining agreements under chapter 179A. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under this chapter or chapter 179A.

Sec. 76. Minnesota Statutes 1992, section 192.501, subdivision 2, is amended to read:

Subd. 2. [TUITION REIMBURSEMENT.] (a) The adjutant general shall establish a program providing tuition reimbursement for members of the Minnesota national guard in accordance with this section. An active member of the Minnesota national guard serving satisfactorily, as defined by the adjutant general, shall be reimbursed for tuition paid to a post-secondary education institution as defined by section 136A.15, subdivision 5, upon proof of satisfactory completion of course work.

(b) In the case of tuition paid to a public institution located in Minnesota, including any vocational or technical school, tuition is limited to an amount equal to 50 percent of the cost of tuition at that public institution, except as provided in this section. In the case of tuition paid to a Minnesota private institution or vocational or technical school or a public or private institution or vocational or technical school not located in Minnesota, reimbursement is limited to 50 percent of the cost of tuition for lower division programs in the college of liberal arts at the twin cities campus of the University of Minnesota in the most recent academic year, except as provided in this section.

(c) If a member of the Minnesota national guard is killed in the line of state active ~~duty~~ *service or federally funded state active service as defined in section 190.05, subdivision 5b*, the state shall reimburse 100 percent of the cost of tuition for post-secondary courses satisfactorily completed by any surviving spouse and any surviving dependents who are 24 23 years old or younger. Reimbursement for surviving spouses and dependents is limited in amount and duration as is reimbursement for the national guard member.

(d) The amount of tuition reimbursement for each eligible individual shall be determined by the adjutant general according to rules formulated within 30 days of June 4, 1989. Tuition reimbursement received under this section shall not be considered by the Minnesota higher education coordinating board or by any other state board, commission, or entity in determining a person's eligibility for a scholarship or grant-in-aid under sections 136A.095 to 136A.132.

Sec. 77. Minnesota Statutes 1992, section 196.051, subdivision 3, is amended to read:

Subd. 3. [FUNDS.] The commissioner may commingle the funds of persons who are under the commissioner's guardianship pursuant to authority granted by section 196.051. The commissioner shall keep complete and accurate accounts showing each transaction that occurs with respect to the funds of each person under the commissioner's guardianship. *Money in a guardianship fund is appropriated to the commissioner to carry out the guardianship.*

Sec. 78. Minnesota Statutes 1992, section 196.054, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] There is a veterans affairs resources fund in the state treasury. All money received by the department pursuant to subdivision 1 must be deposited in the state treasury and credited to the veterans affairs resources fund. ~~The commissioner may only use~~ *Money from the veterans affairs resources fund is appropriated to the commissioner for operation, maintenance, repair of facilities, associated legal fees, and other related expenses used* under subdivision 1.

Sec. 79. [197.608] [VETERANS SERVICE OFFICE GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] A veterans service office grant program is established to be administered by the commissioner of veterans affairs consisting of grants to counties to enable them to enhance the effectiveness of their veterans service offices.

Subd: 2: [RULE DEVELOPMENT.] The commissioner of veterans affairs

shall consult with the Minnesota association of county veterans service officers in formulating rules to implement the grant program.

Subd. 3. [ELIGIBILITY.] To be eligible for a grant under this program, a county must:

(1) employ a county veterans service officer as authorized by sections 197.60 and 197.606, who is certified to serve in this position by the commissioner of veterans affairs;

(2) submit a written plan for the proposed expenditures to enhance the functioning of the county veterans service office in accordance with the program rules; and

(3) apply for the grant according to procedures to be established for this program by the commissioner and receive written approval from the commissioner for the grant in advance of making the proposed expenditures.

Subd. 4. [GRANT APPLICATION.] (a) A grant application must be submitted to the department of veterans affairs according to procedures to be established by the commissioner. The grant application must include a specific description of the plan for enhancing the operation of the county veterans service office.

(b) The commissioner shall approve a grant application only if it meets the criteria for eligibility as established and announced by the commissioner and there are sufficient funds remaining in the grant program to cover the amount of the grant. The commissioner may request modification of a plan. If the commissioner rejects a grant application, written reasons for the rejection must be provided to the applicant county and the county may modify the application and resubmit it.

Subd. 5. [QUALIFYING USES.] The commissioner of veterans affairs shall determine whether the plan specified in the grant application will enable the applicant county to enhance the effectiveness of its county veterans office.

Notwithstanding subdivision 3, clause (1), a county may apply for and use a grant for the training and education required by the commissioner for a newly employed county veterans service officer's certificate, or for the continuing education of other staff.

Subd. 6. [GRANT AMOUNT.] The amount of each grant must be determined by the commissioner of veterans affairs, and may not exceed the lesser of:

(1) the amount specified in the grant application to be expended on the plan for enhancing the effectiveness of the county veterans service office; or

(2) the county's share of the total funds available under the program, determined in the following manner:

(i) if the county's veteran population is less than 1,000, the county's grant share shall be \$2,000;

(ii) if the county's veteran population is 1,000 or more but less than 3,000, the county's grant share shall be \$4,000;

(iii) if the county's veteran population is 3,000 or more but less than 10,000, the county's grant share shall be \$6,000; or

(iv) if the county's veteran population is 10,000 or more, the county's grant share shall be \$8,000.

In any year, only one-half of the counties in each of the four veteran population categories (i) to (iv) shall be awarded grants. Grants shall be awarded on a first-come first-served basis to counties submitting applications which meet the commissioner's criteria as established in the rules. Any county not receiving a grant in any given year shall receive priority consideration for a grant the following year.

In any year, after a period of time to be determined by the commissioner, any amounts remaining from undistributed county grant shares may be reallocated to the other counties which have submitted qualifying application.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 80. [197.609] [EDUCATION PROGRAM.]

Subdivision 1. [ESTABLISHMENT AND ADMINISTRATION.] An education program for county veterans service officers is established to be administered by the commissioner of veterans affairs.

Subd. 2. [ELIGIBILITY.] To be eligible for the program in this section, a person must currently be employed as a county veterans service officer as authorized by sections 197.60 to 197.606, and be certified to serve in that position by the commissioner of veterans affairs or be serving a probationary period as authorized by section 197.60, subdivision 2.

Subd. 3. [PROGRAM CONTENT.] The program in this section must include but is not limited to informing county veteran service officers of the federal, state, and private benefits and services available to veterans, training them in procedures for applying for these benefits, updating them on the changes in these benefits and the eligibility criteria and application procedures, informing them of judicial and regulatory decisions involving veterans programs, training them in the legal procedures for appealing decisions disallowing benefits to veterans, and providing education, information, and training for any other aspects of the veteran service officer position.

Sec. 81. Minnesota Statutes 1992, section 198.16, is amended to read:

198.16 [DONATIONS; GENERAL PURPOSES.]

The board is authorized to accept on behalf of the state any gift, grant, bequest, or devise made for the purposes of this chapter, and administer the same as directed by the donor. All proceeds therefrom including money derived from the sale of any real or personal property shall be deposited in the state treasury and credited to the Minnesota veterans home endowment, bequest, and devises fund. Said fund shall consist of two accounts, one of which shall include any trusts prescribed by the donor, the other shall include any currently expendable proceeds. Money in the fund is appropriated to the board for the purposes for which it was received. Disbursements from this fund shall be made in the manner provided for the issuance of other state warrants.

Whenever the board shall deem it advisable, in accordance with law, to sell or otherwise dispose of any real or personal property thus acquired, the commissioner of administration upon the request of the board shall sell or

otherwise dispose of said property in the manner provided by law for the sale or disposition of other state property by the commissioner of administration.

Sec. 82. Minnesota Statutes 1992, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] (a) The Minnesota amateur sports commission consists of ~~nine~~ 12 voting members, four of whom must be experienced in promoting amateur sports. *Nine of the voting members shall be appointed by the governor to three-year terms. Two legislators, one from each house appointed according to its rules, shall be nonvoting members. Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.*

(b) The governor, speaker of the house of representatives, and senate majority leader shall each appoint one additional voting member to the commission to a two-year term. The purpose of adding three members to the commission is to ensure gender balance in commission membership. Compensation, removal, and filling of vacancies of members appointed under this paragraph are as provided in section 15.0575. A member appointed under this paragraph may be reappointed.

Sec. 83. Minnesota Statutes 1992, section 240A.03, is amended by adding a subdivision to read:

Subd. 15. [ADVERTISING.] The commission may accept paid advertising in its publications. Funds received from advertising are annually appropriated to the commission for its publications. The commission must annually report the amount of funds received under this subdivision to the chair of the house of representatives ways and means and senate finance committees.

Sec. 84. Minnesota Statutes 1992, section 270.063, is amended to read:

270.063 [COLLECTION OF DELINQUENT TAXES; COSTS.]

For the purpose of collecting delinquent state tax liabilities, there is appropriated to the commissioner of revenue an amount representing the cost of collection by contract with collection agencies, revenue departments of other states, or attorneys to enable the commissioner to reimburse these agencies, departments, or attorneys for this service, ~~or provide for the operating costs of collection activities of the department of revenue.~~ The commissioner shall report quarterly on the status of this program to the chair of the house tax and appropriation committees and senate tax and finance committees.

Notwithstanding section 16A.15, subdivision 3, the commissioner of revenue may authorize the prepayment of sheriff's fees, attorney fees, fees charged by revenue departments of other states, or court costs to be incurred in connection with the collection of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 85. Minnesota Statutes 1992, section 271.07, is amended to read:

271.07 [STENOGRAPHIC REPORT; TRANSCRIPT.]

Except in the small claims division, the tax court shall provide for a verbatim stenographic report of all proceedings had before it upon appeals, as

required by the laws relating to proceedings in district court. *The cost of the stenographic record shall be paid by the party taking the appeal. The cost is a taxable cost under section 271.09.*

Sec. 86. Minnesota Statutes 1992, section 309.501, is amended to read:

309.501 [REGISTERED COMBINED CHARITABLE ORGANIZATIONS.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(b) "Registered combined charitable organization" means ~~an~~ *a federated funding organization:*

(1) which is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended through December 31, ~~1990~~ 1992 (hereinafter "Internal Revenue Code"), and to which contributions are deductible under section 170 of the Internal Revenue Code;

(2) *which exists for purposes other than solely fundraising;*

(3) which secures funds for distribution to ~~ten~~ 14 or more ~~charitable~~ *affiliated agencies in a single, annual consolidated effort;*

~~(3)~~ (4) which is governed by a *local, independent, voluntary board of directors which represents the broad interests of the public and 90 percent of the directors of the governing board live or work in the community or surrounding area;*

(4) (5) which distributes at least 70 percent of its total campaign income and revenue *to its affiliated agencies and to the designated agencies it supports and expends no more than 30 percent of its total income and revenue for management and general costs and fund raising costs;*

~~(5)~~ (6) *which distributes at least 70 percent of its total campaign income and revenue to affiliated agencies and designated agencies that are incorporated in Minnesota or headquartered in the service-area in which the state employee combined charitable campaign takes place;*

(7) and each designated *or affiliated* agency supported by the recipient institution devotes substantially all of its activities directly to providing health, welfare, social, or other human services to individuals;

~~(6)~~ (8) and each designated *or affiliated* agency supported by the recipient institution *with funds contributed by state employees through the combined charitable campaign provides all or substantially all of its health, welfare, social, or other human services, in the community and surrounding area in which the recipient institution's fund drive state employee combined charitable campaign takes place;*

~~(7)~~ (9) *and each charitable agency is affiliated with no more than one registered combined charitable organization within the registered combined charitable organization's service area in the state's employee combined charitable campaign; and*

(10) which has been registered with the commissioner of ~~commerce~~ *employee relations* in accordance with this section.

(c) "Affiliated agency" means a charitable agency that is represented by a federation and has an ongoing relationship with that federation which involves a review and monitoring process to insure financial, managerial, and programmatic responsibility.

(d) "Charitable agency" means a governmental agency or an organization (1) which is tax exempt under section 501(c)3 of the Internal Revenue Code; (2) to which contributions are deductible under section 170 of the Internal Revenue Code; and (3) which is in compliance with the provisions of this chapter.

(e) "State employees combined charitable campaign" means the annual state campaign whereby a state employee may designate that the employee's contribution to a registered combined charitable organization may be deducted from the pay of the employee for each pay period.

Subd. 2. [DESIGNATED CONTRIBUTIONS.] A registered combined charitable organization may offer a state officer or employee the option of designating in writing that the amount deducted in section 16A.134, be designated to any charitable agency, whether or not the charitable agency receives funds from the single, annual consolidated effort. A registered combined charitable organization which offers this option shall provide a list of charitable agencies receiving funds and the amount each charitable agency receives in the annual report required pursuant to section 309.53.

Subd. 3. [REGISTRATION.] ~~An~~ (a) In order to participate in the state employee combined charitable campaign, a federated funding organization may shall apply to the commissioner of ~~commerce~~ employee relations as a registered combined charitable organization on or before June 1, 1993, and in 1994 and thereafter on or before March 1 in order to be eligible to participate in the campaign for that year.

~~An~~ (b) A federated funding organization which applies to the commissioner of employee relations shall provide the commissioner with all information the commissioner deems necessary to identify the charitable and tax exempt status of the organization and its compliance with the provisions of this chapter including, but not limited to the following:

(1) a copy of the organization's most recently filed annual report required by section 309.53, which shall also be filed with the attorney general;

(2) assurance of tax exempt status for the federated funding organization and each of the charitable agencies identified by the federated funding organization as an affiliated agency;

(3) assurance of proper registration with the attorney general of Minnesota to solicit contributions in the state of Minnesota for the federated funding organization and each of the charitable agencies identified by the federated funding organization as an affiliated agency. A copy of the registration letter must be available upon request;

(4) an affidavit signed by a duly constituted officer of the federated funding organization attesting to the fact that the federated funding organization and its affiliated agencies are in compliance with each of the provisions of this section;

(5) a list of the board of directors for the federated funding organization which identifies the address for each director; and

(6) a fee of \$100, or ten percent of the funds raised from state employees in the previous campaign, whichever is less.

(c) A registered combined charitable organization shall disclose in its solicitation and its annual report filed under section 309.53:

(a) (1) gross dollars received in contributions in the prior year;

(b) (2) names of, business addresses, and amount of money distributed to each affiliated charitable agency by the registered combined charitable organization;

(c) (3) percentage of gross dollars contributed which was directly received by the charitable agencies; and

(d) (4) projected percentage of the contribution to be received by the charitable agencies in the year for which the solicitation is being made.

If participating charitable agencies are required to pay any fees to the combined charitable organization, it shall also be disclosed in the solicitation and annual report. In the annual report the combined charitable organization shall include a list of charitable agencies to which donors specifically designated funds, and the amount designated to each agency. Notwithstanding section 309.53, subdivision 1a, each charitable agency shall file the report required in section 309.53. The commissioner shall consult with the attorney general to determine if the combined charitable organization and its charitable agencies are in compliance with this chapter.

(d) The commissioner shall register or not register the application of an organization within 60 days. No organization may apply to the commissioner more than once in a 12-month period calendar year. An organization whose application is denied has ten calendar days after receiving notice of the denial to appeal the decision or file an amended application correcting the deficiency. The commissioner shall register or not register the organization within ten calendar days of the submission of the appeal. If the organization fails to correct the deficiency and registration is denied a second time, the organization may appeal within five calendar days after being notified by the commissioner or the commissioner's designee that the deficiency has not been cured and the organization is not registered. A hearing shall be scheduled by the commissioner of employee relations and shall be held within 15 calendar days after receiving notice of the appeal. The provisions of chapter 14 do not apply to the hearing. The hearing shall be conducted in a manner considered appropriate by the commissioner. The commissioner's determination following the hearing shall be made within five calendar days after the hearing has been completed. Registered combined charitable organizations shall file the report required in section 309.53. The commissioner shall notify the commissioner of finance in writing of the decision to register an organization under this section by July 15.

(e) An organization whose application as a registered combined charitable organization is denied shall not be eligible to participate in the state employee combined charitable campaign for that year. Only organizations that are approved may participate in the state employee combined charitable campaign for the year of approval and only contributions authorized during the campaign may be deducted from an employee's pay pursuant to section 16A.134.

Subd. 4. [COMPLIANCE WAIVER.] This subdivision applies only to the 1993 state employee combined charitable organization fund drive. A registered combined charitable organization that participated in the 1992 state employee's combined charitable organization's fund drive but that would not be qualified to participate in future fund drives because it will not satisfy the standards of this section, may certify to the commissioner of employee relations those provisions of subdivision 1 that it fails to meet and the extent of the inability to meet the specified standards, and may request a waiver of compliance. The commissioner shall issue a waiver to the registered combined charitable organization unless the provisions of subdivision 1 that the registered combined charitable organization fails to meet is subdivision 1, paragraph (b), clause (1) or (5).

To be entitled to a waiver, an organization must apply to the commissioner by the registration dates specified in subdivision 3.

Sec. 87. Minnesota Statutes 1992, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section must be administered by the executive director of the system under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with chapter 356A. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) and (3). The state board of investment may retain consulting services to assist it in soliciting and evaluating bids and in the periodic review of companies offering options under subdivision 2, clause (3). The periodic review must occur at least every two years. The state board of investment may annually establish a budget for its costs in the soliciting, evaluating, and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to each company currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids to each company selected by the state board. All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must be presented in an unbiased manner and in a manner that conforms to rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, clause (3), must be paid by the underwriting companies ultimately selected by the state board of investment.

Sec. 88. Minnesota Statutes 1992, section 354B.05, is amended to read:

354B.05 [ADMINISTRATION.]

Subdivision 1. [GOVERNING BOARDS.] The state university board shall administer the plan for persons in covered employment under section 354B.01, subdivisions 2, 4, and 5. The community college board shall administer the plan for persons in covered employment under section 354B.01, subdivision 3.

Subd. 2. [PURCHASE OF CONTRACTS.] The state university board and the community college board shall arrange for the purchase of annuity

contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts from financial institutions selected by the state board of investment under subdivision 3, to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with contributions under section 354B.04 or money or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The supplemental investment fund administered by the state board of investment is one of the investment options for the plan. The state university board and the community college board shall of investment may select no more than two other financial institutions to provide annuity contracts or custodial accounts products. Each board may at its discretion change a selection of an institution. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards board shall consider at least these criteria:

- (1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;
- (2) the relationship of the benefits to their cost; and
- (3) the financial strength and stability of the institution.

The state board of investment must periodically review at least every three years each financial institution selected by the state board of investment. The state board of investment may retain consulting services to assist in the periodic review, may establish a budget for its costs in the periodic review process, and may charge a proportional share of those costs to each financial institution selected by the state board of investment. All contracts must be approved by the state board of investment before execution by the state university board and the community college board. The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out this subdivision.

The chancellor of the state university system and the chancellor of the state community college system shall redeem all shares in the accounts of the Minnesota supplemental investment fund held on behalf of personnel in the supplemental plan who elect an investment option other than the supplemental investment fund, except that shares in the fixed interest account must not be redeemed until the expiration dates for the guaranteed investment contracts. The chancellors shall transfer the cash realized to the financial institutions selected by the state university board and the community college board under section 354B.05.

Subd. 4. [BENEFITS OWNED BY MEMBERS.] The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the trust and must be paid in accordance with the provisions of the plan document.

Sec. 89. [REVIEW BY STATE BOARD OF INVESTMENT.]

The state board of investment shall be responsible for periodic review of each financial institution under the provisions of section 88 as of the effective date of this section. Initial reviews must be with those financial institutions

under contract with the state university board and community college board on the effective date of this section. As provided in section 88, the state board of investment may retain consulting services, establish a budget for its costs, and charge a proportional share of those costs to those financial institutions.

Sec. 90. Minnesota Statutes 1992, section 356.24, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION; EXCEPTIONS.] (a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 354B.01 to 354B.04;

(3) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(4) for employees other than personnel employed by the state university board or the community college board and covered by section 354B.07, subdivision 1, to:

(i) the state of Minnesota deferred compensation plan under section 352.96; or

(ii) payment of the applicable portion of the premium on a tax sheltered annuity contract qualified under section 403(b) of the federal Internal Revenue Code, purchased from a qualified insurance company; if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee; or

(5) for personnel employed by the state university board or the community college board and covered by section 354B.07, subdivision 1, to the supplemental retirement plan under sections 354B.07 to 354B.09, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

(b) A qualified insurance company is a company that:

(1) meets the definition in section 60A.02, subdivision 4;

(2) is licensed to engage in life insurance or annuity business in the state;

(3) is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and

(4) is determined by the state board of investment to be among the ten applicant insurance companies with competitive options and investment returns on annuity products. The state board of investment determination must be made on or before January 1, 1993, and must be reviewed periodically. The state board of investment shall *may* retain actuarial services to assist it in this determination *and in its periodic review*. The state board of investment shall *may* annually establish a budget for its costs in *the any determination process and shall and periodic review processes*. The state board of investment may charge a proportional share of ~~that budget~~ all costs related to the periodic review to those companies currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids in a determination process to each insurance company selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

(c) A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under paragraph (b), clause (4), that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

Sec. 91. Minnesota Statutes 1992, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. *In a county in the eighth judicial district which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the state treasurer for deposit in the state treasury and credited to the general fund.* A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance; or

(8) restitution under section 611A.04.

(d) The fees collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 92. Minnesota Statutes 1992, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$110~~ \$122.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$110~~ \$122.

The party requesting a trial by jury shall pay ~~\$30~~ \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$5.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 93. Minnesota Statutes 1992, section 357.022, is amended to read:

357.022 [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of ~~\$13~~ \$15 where the amount demanded is less than \$2,000 and \$25 where the amount demanded is \$2,000 or more from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 94. Minnesota Statutes 1992, section 357.08; is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL.]

There shall be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, when initially filed with the clerk of the appellate courts, the sum of \$200 \$250 to the clerk of the appellate courts. An additional filing fee of \$100 shall be required for a petition for accelerated review by the supreme court. A filing fee of \$200 \$250 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals. A filing fee of \$200 \$250 shall be paid to the clerk of the appellate courts upon the filing of a petition for permission to appeal. A filing fee of \$100 shall be paid to the clerk of the appellate courts upon the filing by a respondent of a notice of review. The clerk shall transmit the fees to the state treasurer for deposit in the state treasury and credit to the general fund.

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 95. Minnesota Statutes 1992, section 357.18, subdivision 3, is amended to read:

Subd. 3. [SURCHARGE.] In addition to the fees imposed in subdivision 1, a ~~\$2~~ \$4.50 surcharge shall be collected: on each fee charged under subdivision 1, clauses (1) and (6), and for each abstract certificate under subdivision 1, clause (4). ~~Forty~~ Fifty cents of each surcharge shall be retained by the county to cover its administrative costs and ~~\$1.60~~ \$4 shall be paid to the state treasury and credited to the general fund.

Sec. 96. Minnesota Statutes 1992, section 484.74, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] *Except for good cause shown*, in litigation involving an amount in excess of ~~\$50,000~~ \$7,500 in controversy, the presiding judge ~~may~~ shall, by order, direct the parties to enter nonbinding alternative dispute resolution. Alternatives may include private trials, neutral expert fact-finding, mediation, minitrials, and other forms of alternative dispute resolution. The guidelines for the various alternatives must be established by the presiding judge and must emphasize early and inexpensive exchange of information and case evaluation in order to facilitate settlement.

Sec. 97. Minnesota Statutes 1992, section 484.76, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The supreme court shall establish a statewide alternative dispute resolution program for the resolution of civil cases filed with the courts. The supreme court shall adopt rules governing practice, procedure, and jurisdiction for alternative dispute resolution programs established under this section. The rules shall require the use of nonbinding alternative dispute resolution processes in all civil cases, except for good cause shown by the presiding judge, and must provide an equitable means for the payment of fees and expenses for the use of alternative dispute resolution processes.

Sec. 98. [491A.03] [JUDGES; REFEREES.]

The judges of district court shall serve as judges of conciliation court. A majority of the judges of the district may appoint one or more suitable persons to act as referees in conciliation court; a majority of the judges of the district shall establish qualifications for the office, specify the duties and length of service of referees, and fix their compensation not to exceed an amount per day determined by the chief judge of the judicial district.

Sec. 99. Minnesota Statutes 1992, section 508.82, is amended to read:

508.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (10), (12), (13), (14), (16), (17), and (18), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$2~~ \$4.50 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (5), (10), (12), (14), and (18), with ~~40~~ 50 cents of this surcharge to be retained by the county to cover its administrative costs and ~~\$1.60~~ \$4 to be paid to the state treasury and credited to the general fund;

(2) for registering each original certificate of title, and issuing a duplicate of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the issuance and registration of the new certificate of title, \$30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate certificates, \$15;

(5) for issuing each residue certificate, \$20;

(6) for exchange certificates, \$10 for each certificate canceled and \$10 for each new certificate issued;

(7) for each certificate showing condition of the register, \$10;

(8) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(9) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(10) for filing two copies of any plat in the office of the registrar, \$30;

(11) for any other service under this chapter, such fee as the court shall determine;

(12) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;

(13) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;

(14) for filing a condominium plat or an amendment to it in accordance with chapter 515, \$30;

(15) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the condominium plat with a minimum fee of \$10;

(16) for filing a condominium declaration and plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the

document is registered and \$30 for the filing of the condominium plat or an amendment thereto;

(17) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$10;

(18) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$30;

(19) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$10.

Sec. 100. Minnesota Statutes 1992, section 508A.82, is amended to read:
508A.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (10), (12), (13), (14), (16), and (18), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$2~~ \$4.50 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (5), (10), (12), (14), and (18), with 40 50 cents of this surcharge to be retained by the county to cover its administrative costs and ~~\$1.60~~ \$4 to be paid to the state treasury and credited to the general fund;

(2) for registering each original CPT, and issuing a duplicate of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the issuance and registration of the new CPT, \$30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate CPTs, \$15;

(5) for issuing each residue CPT, \$20;

(6) for exchange CPTs, \$10 for each CPT canceled and \$10 for each new CPT issued;

(7) for each certificate showing condition of the register, \$10;

(8) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(9) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(10) for filing two copies of any plat in the office of the registrar, \$30;

(11) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(12) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;

(13) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;

(14) for filing a condominium plat or an amendment to it in accordance with chapter 515, \$30;

(15) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the plat with a minimum fee of \$10;

(16) for filing a condominium declaration and condominium plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium plat or an amendment to it;

(17) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(18) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$30;

(19) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$10.

Sec. 101. Minnesota Statutes 1992, section 548.23, is amended to read:

548.23 [PLEA OF CONFESSION.]

Judgment in the cases mentioned in section 548.22 may also be entered in the district court in the manner therein provided, and with like effect, upon filing with the court administrator a plea of confession signed by an attorney of such court, together with an instrument signed by the debtor authorizing such confession; but such instrument must be distinct from that containing the bond, contract, or other evidence of the demand for which judgment is confessed. *Any person filing a plea of confession and an instrument under this section shall pay the same fee as provided for filing a civil action in district court; except that if the amount of the judgment confessed is not greater than the jurisdictional limit of the conciliation court, the fee shall be in the amount of the filing fee for an action in conciliation court.*

Sec. 102. Minnesota Statutes 1992, section 548.30, is amended to read:

548.30 [FEES.]

Any person filing a foreign judgment shall pay to the court administrator the same fee as provided for filing a civil action in district court, *except that if the amount of the judgment is not greater than the jurisdictional limit of the conciliation court, the fee shall be in the amount of the filing fee for an action in conciliation court.* Fees for docketing, transcription or other enforcement proceedings shall be as provided for judgments of any district court of this state.

Sec. 103. Minnesota Statutes 1992, section 549.02, is amended to read:

549.02 [COSTS IN DISTRICT COURTS.]

Subdivision 1. [DISTRICT COURT.] In actions commenced in the district court, costs shall be allowed as follows:

To plaintiff: (1) Upon a judgment in the plaintiff's favor of \$100 or more in an action for the recovery of money only, ~~\$100~~ \$200. (2) In all other actions, including an action by a public employee for wrongfully denied or withheld employment benefits or rights, except as otherwise specially provided, ~~\$100~~ \$200.

To defendant: Upon discontinuance or dismissal or when judgment is rendered in the defendant's favor on the merits, ~~\$100~~ \$200.

To the prevailing party: \$5.50 for the cost of filing a satisfaction of the judgment.

This section does not apply to actions removed to district court from conciliation court.

Subd. 2. [ON APPEAL.] Upon a judgment on the merits on appeal to the court of appeals or supreme court, additional costs in the amount of \$300 shall be allowed to the prevailing party.

Sec. 104. Minnesota Statutes 1992, section 593.48, is amended to read:

593.48 [COMPENSATION OF JURORS AND TRAVEL REIMBURSEMENT.]

A juror shall be reimbursed for round-trip travel between the juror's residence and the place of holding court and compensated for required attendance at sessions of court and may be reimbursed for additional day care expenses incurred as a result of jury duty at a ~~rate~~ rates determined by the supreme court, and shall be compensated at a rate of \$15 for each day of required attendance at sessions of the court. Except in the eighth judicial district where the state shall pay directly, the compensation and reimbursement shall be paid out of the county treasury upon receipt of authorization to pay from the jury commissioner. These jury costs shall be reimbursed monthly by the supreme court upon submission of an invoice by the county treasurer. A monthly report of payments to jurors shall be sent to the jury commissioner within two weeks of the end of the month in the form required by the jury commissioner.

Sec. 105. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the

~~record that~~ the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

Sec. 106. [609.103] [PAYMENT BY CREDIT CARD.]

The court may permit the defendant to pay any fine, assessment, surcharge, attorney reimbursement obligation, or restitution obligation by credit card. The discount fees assessed by the credit card company shall be borne by the county, except in the eighth judicial district where the cost shall be borne by the state.

Sec. 107. Laws 1989, chapter 335, article 3, section 44, as amended by Laws 1990, chapter 604, article 9, section 13, and Laws 1991, chapter 345, article 3, section 27, is amended to read:

Sec. 44. [APPLICATION.]

Sections 45 to 54, except the parts of section 54, that by their terms have broader application, apply only in the eighth judicial district for the period from January 1, 1990, to December 31, 1993 1999.

Those parts of section 54, having broader application, apply statewide for the period from July 1, 1989, to December 31, 1993 1999.

Sec. 108. [EARLY RETIREMENT INCENTIVES.]

Subdivision 1. [EMPLOYER PARTICIPATION.] The early retirement incentives provided in this section may be offered to eligible employees by any public employer, as defined in Minnesota Statutes, section 179A.03, subdivision 15. The incentives must be offered to eligible employees of all state agencies if the commissioner of employee relations and the commissioner of finance certify that layoffs in any of the agencies would occur without the incentives.

The incentives in this section do not apply to a teacher, as defined in Minnesota Statutes, section 354.05, subdivision 2, or 354A.011, subdivision 27, employed by a local school board.

Subd. 2. [ELIGIBILITY.] A person employed by a public employer offering the incentive is eligible to receive the incentive if the person:

(1) has at least 25 years of combined service credit in any Minnesota public pension plans governed by Minnesota Statutes, section 356.30, subdivision 3, or for purposes of the incentive in subdivision 3, paragraph (b) only, is at least 65 years old and has at least one year of combined service credit in these pension plans;

(2) upon retirement is immediately eligible for a retirement annuity from a defined benefit plan, if the person is a member of a defined benefit plan;

(3) is at least 55 years of age; and

(4) retires on or after May 17, 1993, and before January 31, 1994.

Subd. 3. [INCENTIVE.] (a) A person may not choose both the incentive in paragraph (b) and the incentive in paragraph (c). An employer that is required to or chooses to offer the incentive must offer each employee eligible for both

incentives a choice between the incentive in paragraph (b) or the incentive in paragraph (c), except that employers whose employees are covered under Minnesota Statutes, sections 353.29 and 353.30, need not offer both incentives.

(b) For a person covered by a retirement plan established in Minnesota Statutes, section 352.115, 352.116, 353.29 or 353.30, or chapter 354 or 422A, who selects the incentive under this paragraph, the multiplier percentage used to calculate the retirement annuity must be increased for each year of service credit up to 30 years. The amount of the increase is: (i) .25 for each year of service credit calculated under Minnesota Statutes, section 352.115, 352.116, 353.29, or 353.30, or chapter 422A; and (ii) .10 for each year of service credit calculated under Minnesota Statutes, chapter 354 or 354A. If a person has more than 30 years of service credit, the increased multiplier applies only to the first 30 years.

(c) For a person who selects the incentive under this paragraph, the employer must pay for hospital, medical, and dental insurance, under conditions and limitations specified in this section. A person is eligible for this employer-paid insurance only if the person:

(1) is eligible for employer-paid insurance under a collective bargaining agreement or personnel plan in effect on the day before the effective date of this section;

(2) has at least as many months of service with the current employer as the number of months younger than age 65 the person is at the time of retirement; and

(3) is less than age 65.

(d) An employer that offers incentives under this section may not exclude eligible employees.

Subd. 4. [LIMITS ON REHIRING.] During the biennium ending June 30, 1995:

(1) an executive branch state agency may not hire a replacement for a person who retires under this subdivision except for (i) correctional guards and persons who provide direct patient care in state institutions; (ii) other positions listed in a position-specific written directive issued by the governor, or by the employing constitutional officer for positions in a constitutional office; or (iii) in the case of the state universities and community colleges, after review by the presidents, the governing boards decide on a case-by-case basis which positions must be replaced to provide for continuity of service on the campuses; and

(2) another public employer may not hire a replacement for a person who retires under this subdivision, except under position-specific action of the governing body.

Subd. 5. [CONDITIONS.] For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Subd. 6. [CONDITIONS; INSURANCE COVERAGE.] A retired employee is eligible for single and dependent insurance coverages and employer

payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the person chooses not to receive the retirement benefits for which the person has applied, or when the person is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally-sponsored Medicare program.

Subd. 7. [APPLICATION OF OTHER LAWS.] Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A. The requirement in this section for an employer to pay health insurance costs for certain retired employees is not subject to the limits in Minnesota Statutes, section 179A.20, subdivision 2a.

Sec. 109. [TRANSFER.]

The responsibilities of the commissioner of administration for the office of dispute resolution are transferred under Minnesota Statutes, section 15.039, to the commissioner of mediation services.

Sec. 110. [REPEALER.]

(a) Minnesota Statutes 1992, section 309.502, is repealed.

(b) Minnesota Statutes 1992, sections 16A.095, subdivision 3; 16A.123; 16A.128; 16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; and 290A.24, are repealed.

(c) Minnesota Statutes 1992, section 13.072, is repealed effective August 1, 1995.

Sec. 111. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor of statutes shall renumber sections 16A.15, subdivision 1, as 16A.152, subdivision 4; 16A.15, subdivision 5, as 16A.152, subdivision 6; 16A.15, subdivision 6, as 16A.152, subdivision 1; 16A.15, subdivision 7, as 16A.152, subdivision 7; 16A.1541 as 16A.152, subdivision 2. The revisor shall also conform cross-references to the renumbered provisions.

Sec. 112. [EFFECTIVE DATE.]

(a) Section 34 is effective the day after final enactment and requires an audit for fiscal year 1993.

(b) Section 42 is effective the day following final enactment. Section 42 does not apply if prohibited by contract, but the appointing authority must amend the contract as soon as possible to comply with section 42.

(c) Section 76 is effective retroactively to January 1, 1993.

(d) Sections 86, 87, 88, 89, 90, 108, and 110, paragraph (a), are effective on the day following final enactment.

(e) Section 65 is effective June 30, 1995, and applies to appropriations to the legislature, the senate, the house of representatives, or a legislative commission or committee that are unexpended and unencumbered on June 30, 1995."

Delete the title and insert:

“A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.971, by adding a subdivision; 8.15; 15A.083, by adding a subdivision; 16A.011, subdivisions 5, 6, and 14; 16A.04, subdivision 1; 16A.055, subdivision 1; 16A.06, subdivision 4; 16A.065; 16A.10, subdivisions 1 and 2; 16A.105; 16A.11, subdivisions 1 and 3; 16A.129, by adding a subdivision; 16A.15, subdivisions 1, 5, and 6; 16A.152, by adding subdivisions; 16A.154; 16A.28; 16A.281; 16A.58; 16A.69, subdivision 2; 16A.72; 16B.24, subdivision 9; 16B.41; 16B.43, subdivision 1; 16B.92; 43A.045; 192.501, subdivision 2; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 240A.02, subdivision 1; 240A.03, by adding a subdivision; 270.063; 271.07; 309.501; 352.96, subdivision 3; 354B.05; 356.24, subdivision 1; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 484.74, subdivision 1; 484.76, subdivision 1; 508.82; 508A.82; 548.23; 548.30; 549.02; 593.48; and 609.101, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 3; 11A; 13; 15; 16A; 197; and 609; proposing coding for new law as Minnesota Statutes, chapter 491A; repealing Minnesota Statutes 1992, sections 13.072; 16A.095, subdivision 3; 16A.123; 16A.128; 16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; 290A.24; and 309.502; Laws 1989, chapter 335.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Richard J. Cohen, Gene Merriam, William P. Luther, Patrick D. McGowan, Dennis R. Frederickson

House Conferees: (Signed) Richard “Rick” Krueger, Phyllis Kahn, Bob Johnson, Jerry Knickerbocker, Bob Haukoos

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1620 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1620 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Hottinger	Laidig	Murphy	Runbeck
Anderson	Janezich	Langseth	Novak	Sams
Beckman	Johnson, D.E.	Larson	Oliver	Samuelson
Benson, J.E.	Johnson, D.J.	Lesewski	Olson	Solon
Betzold	Johnson, J.B.	Luther	Pappas	Spear
Chandler	Johnston	Marty	Pariseau	Stevens
Chmielewski	Kelly	McGowan	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Dille	Knutson	Metzen	Price	Vickerman
Flynn	Krentz	Moe, R.D.	Reichgott	Wiener
Frederickson	Kroening	Morse	Robertson	

Those who voted in the negative were:

Belanger	Berglin	Day	Mondale	Ranum
Benson, D.D.	Bertram	Finn	Neuville	Riveness
Berg				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 579: A bill for an act relating to retirement; the public employees retirement association; increasing the pension benefit multiplier for the public employees police and fire fund; permitting election of coverage in the public employees defined contribution plan for certain former elected officials; amending Minnesota Statutes 1992, sections 353.65, by adding a subdivision; 353.651, subdivision 3; and 353.656, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1992, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] “State employee” does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(14) state troopers;

(15) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(16) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(17) persons described in section 352B.01, subdivision 2, clauses (2) to (5);

(18) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;

(19) trainee employees, except those listed in subdivision 2a, clause (10);

(20) persons whose compensation is paid on a fee basis;

(21) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(22) employees of the adjutant general employed on an unlimited intermit-

tent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(23) chaplains and nuns who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(24) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(25) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(26) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(27) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(28) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(29) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(30) persons employed in positions designated by the department of employee relations as student workers;

(31) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(32) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(33) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(34) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5, or comparable statutory authority;

(35) persons who are employed as full-time police officers by the metropolitan transit commission and as police officers are members of the public employees police and fire fund; and

(36) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 2. Minnesota Statutes 1992, section 353.64, is amended by adding a subdivision to read:

Subd. 7a. [PENSION COVERAGE FOR CERTAIN METROPOLITAN TRANSIT COMMISSION POLICE OFFICERS.] A person who is employed as a full-time police officer on or after the first day of the first payroll period after the effective date of this section by the metropolitan transit commission and who is not eligible for coverage under the agreement with the Secretary of the federal Department of Health and Human Services making the provisions of the federal Old Age, Survivors, and Disability Insurance Act because the person's position is excluded from application under United States code, sections 418(d)(5)(A) and 418(d)(8)(D), and under section 355.07, is a member of the public employees police and fire fund and is considered to be a police officer within the meaning of this section. The metropolitan transit commission shall deduct the employee contribution from the salary of each full-time police officer as required by section 353.65, subdivision 2, shall make the employer contribution for each full-time police officer as required by section 353.65, subdivision 3, and shall meet the employer recording and reporting requirements in section 353.65, subdivision 4."

Page 3, after line 5, insert:

"Sec. 6. [353A.083] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION POLICE AND FIRE FUND BENEFIT PLAN APPLICABLE TO PRE-1993 CONSOLIDATIONS.]

For a consolidation account in effect on the date of final enactment, the public employees police and fire fund benefit plan applicable to consolidation account members who have elected or will elect that benefit plan coverage under section 353A.08 is the pre-1993 public employees police and fire fund benefit plan unless the appropriate municipality approves the extension of the post-1992 public employees police and fire fund benefit plan to the consolidation account."

Page 4, line 21, delete "1 to 3" and insert "3 to 6" and delete everything after "are"

Page 4, line 22, delete everything before "effective"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "state employees retirement system and"

Page 1, line 3, after the semicolon, insert "amending the definition of state employee; providing pension coverage for certain metropolitan transit commission police officers;"

Page 1, line 8, after "sections" insert "352.01, subdivision 2b; 353.64, by adding a subdivision;"

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 353A"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1501: A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; 17.59, subdivision 2; and 17.63.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 and 3, delete section 5

Amend the title as follows:

Page 1, line 5, after "13;" insert "and" and delete "; and" and insert a period

Page 1, delete line 6

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1314: A bill for an act relating to employees; providing for a wage protection program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, after the period, insert "*Money in*" and delete "*annually*"

Page 2, line 5, after the period, insert "*The department's obligation to make payments from the account is limited to the amount appropriated. After the appropriation is exhausted, no further obligation may be incurred.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 545: A bill for an act relating to retirement; expanding coordinated plan survivor coverage benefits for certain public employees and teachers; amending Minnesota Statutes 1992, sections 352.01, by adding a subdivision; 352.12, subdivision 2, and by adding subdivisions; 353.01, subdivision 15, and by adding a subdivision; 353.32, subdivision 1a, and by adding subdivisions; 354.05, subdivision 8, and by adding a subdivision; 354.46, subdivisions 2, 5, and by adding subdivisions; 354A.011, by adding a subdivision; and 354A.35, subdivision 2, and by adding subdivisions.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 154: A bill for an act relating to taxation; motor fuel taxes; providing for refunds of fuel taxes paid on fuel used to operate passenger snowmobiles as part of the operations of a resort; amending Minnesota Statutes 1992, sections 296.01, by adding a subdivision; and 296.18, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1992, section 84.83, subdivision 3, is amended to read:

Subd. 3. [PURPOSES FOR THE ACCOUNT.] The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

- (1) For a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails;
- (2) For acquisition, development, and maintenance of state recreational snowmobile trails;
- (3) For snowmobile safety programs; and
- (4) For the administration and enforcement of sections 84.81 to 84.90; and
- (5) *For payment of the refund for fuel taxes paid on fuel used to operate passenger snowmobiles as part of the operation of a resort under section 296.18, subdivision 1.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after “sections” insert “84.83, subdivision 3;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 860: A bill for an act relating to retirement; providing coverage for unclassified managerial employees in temporary, acting, or interim positions; providing default plan for employee selection; adding conforming language to clarify eligibility between plans; relating to the individual retirement account plan; providing for refunding of amounts forfeited; providing for repayment of missed contributions; providing for administrative expenses; providing for contributions during period of sabbatical leave; relating to the supplemental retirement plan; providing conforming language for previous oversight of eligible members; relating to marriage dissolutions; providing alternate method of retirement asset distribution for individual retirement account plan; transferring responsibility for the investment of individual retirement account plan assets to the state board of investment; amending Minnesota Statutes

1992, sections 352D.02, subdivisions 1 and 1a; 354B.01, by adding a subdivision; 354B.02, subdivisions 1, 3a, and by adding a subdivision; 354B.04, by adding a subdivision; 354B.05; 356.24, subdivision 1; and 518.58, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1992, section 354B.02, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, delete section 4

Page 9, line 24, delete "5" and insert "4"

Renumber the sections of article 2 in sequence

Pages 12 to 14, delete article 5

Amend the title as follows:

Page 1, lines 7 and 8, delete "providing for refunding of amounts forfeited;"

Page 1, line 14, delete from "providing" through page 1, line 18, to "investment;"

Page 1, line 23, after "354B.05" insert ", by adding a subdivision

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1524: A bill for an act relating to traffic regulations; increasing fine for speeding violation; appropriating money for highway work zone safety enforcement and public education efforts; appropriating money; amending Minnesota Statutes 1992, section 169.14, subdivision 5d.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete ", or who"

Page 2, line 10, delete everything before "while"

Page 2, line 11, delete the comma

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 861: A bill for an act relating to the agricultural finance authority; authorizing direct loans and participations; increasing the dollar limit; amending Minnesota Statutes 1992, sections 41B.02, by adding a subdivision; and 41B.043.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 25, strike "a special" and insert "an" and after "account" insert "*in the special revenue fund*" and strike everything after the period

Page 2, strike lines 26 and 27

Page 3, after line 3, insert:

"Sec. 3. [APPROPRIATION.]

\$30,000 in fiscal year 1994 and \$30,000 in fiscal year 1995 is appropriated from the special revenue fund to the commissioner of agriculture for administrative expenses for the agricultural improvement loan program."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 908: A bill for an act relating to agriculture; changing eligibility and participation requirements for certain rural finance authority programs; authorizing an application fee; appropriating money; amending Minnesota Statutes 1992, sections 41B.03, subdivision 1, and by adding a subdivision; 41B.039, subdivision 2; and 41B.042, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete "its" and insert "*the borrower's*"

Page 2, line 4, delete "a" and insert "an"

Page 2, line 5, delete "special" and before the period, insert "*in the special revenue fund*" and delete everything after the period

Page 2, delete lines 6 and 7

Page 2, after line 25, insert:

"Sec. 5. [APPROPRIATION.]

\$6,000 for fiscal year 1994 and \$6,000 for fiscal year 1995 is appropriated from the special revenue fund to the commissioner of agriculture for administrative expenses for the programs in Minnesota Statutes, sections 41B.01 to 41B.23."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 867: A bill for an act relating to motor vehicles; establishing automobile theft prevention program and creating board; increasing penalty for falsely reporting crime; amending Minnesota Statutes 1992, section 609.505; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after the period, insert "*The commissioner of public safety shall provide office space and administrative support to the board.*"

Page 3, line 25, after the second "account" insert "*in the state government special revenue fund*"

Page 3, line 27, delete from "and" through page 3, line 28, to "account"

Page 3, line 29, after the period, insert "*The board may not spend in any fiscal year more than ten percent of the money in the fund for its administrative and operating costs.*"

Page 4, after line 10, insert:

"Sec. 5. [APPROPRIATION.]

\$2,790,000 is appropriated from the state government special revenue fund to the automobile theft prevention board for automobile theft prevention activities. \$930,000 is for fiscal year 1994 and \$1,860,000 is for fiscal year 1995."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1436: A bill for an act relating to the environment; appropriating money from the metropolitan landfill contingency trust fund to the commissioner of the pollution control agency for reimbursement to the city of Hopkins for remediation of methane at the city landfill; amending Laws 1991, chapter 182, section 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1225: A bill for an act relating to agriculture; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; exempting certain pesticides from the ACRRA surcharge; requiring a report; appropriating money; repealing the hazardous substance labeling act; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 18B.135; 18B.14, subdivision 2; 18B.26, subdivision 3; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18E.03, subdivisions 2 and 5; 21.85, subdivision 10; 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; 18C.215, subdivision 3; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; 24.42; 25.46; and 25.47.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 18B.01, is amended by adding a subdivision to read:

Subd. 9a. [FIXED LOCATION.] “Fixed location” means all stationary restricted and bulk pesticide facility operations owned or operated by a person located in the same plant location or locality.

Sec. 2. Minnesota Statutes 1992, section 18B.01, is amended by adding a subdivision to read:

Subd. 30a. [SUBSTANTIALLY ALTERING; SUBSTANTIALLY ALTER; SUBSTANTIAL ALTERATION.] “Substantially altering,” “substantially alter,” or “substantial alteration” means modifying a bulk agricultural chemical storage facility by:

- (1) changing the capacity of a safeguard;*
- (2) adding storage containers in excess of the capacity of a safeguard as required by rule; or*
- (3) increasing the size of the single largest storage container in a safeguard as approved or permitted by the department of agriculture. This does not include routine maintenance of safeguards, storage containers, appurtenances, piping, mixing, blending, weighing, or handling equipment.*

Sec. 3. Minnesota Statutes 1992, section 18B.065, is amended by adding a subdivision to read:

Subd. 2a. [DISPOSAL SITE REQUIREMENT.] The commissioner must designate a place that is available at least every other year for the residents of each county in the state to dispose of unused portions of pesticides.

Sec. 4. Minnesota Statutes 1992, section 18B.135, subdivision 1, is amended to read:

Subdivision 1. [ACCEPTANCE OF ~~RETURNABLE~~ PESTICIDE CONTAINERS.] (a) A person distributing, offering for sale, or selling a pesticide must accept empty pesticide containers and the unused portion of pesticide that remains in the original container from a pesticide end user if:

- (1) the pesticide was purchased after July 1, 1994; and*
- (2) the empty container is prepared for disposal in accordance with label instructions and is returned to a place within the state at which pesticides are distributed, offered for sale, or sold; and*
- (3) a place is collection site that is seasonably accessible on multiple days has not been designated in either by the county board or by agreement with other counties for the public to return empty pesticide containers and the unused portion of pesticide for the purpose of reuse or recycling or following other approved management practices for pesticide containers in the order of preference established in section 115A.02, paragraph (b), and the county or counties have notified the commissioner of their intentions annually by February 1, in writing, to manage the empty pesticide containers.*

(b) This subdivision does not prohibit the use of refillable and reusable pesticide containers.

(c) ~~The legislative water commission must prepare a report and make a recommendation to the legislature on the handling of waste pesticide containers and waste pesticides. If a county or counties designate a collection site as provided in paragraph (a), clause (3), a person who has been notified by the county or counties of the designated collection site and who sells pesticides to a pesticide end user must notify purchasers of pesticides at the time of sale of the date and location designated for disposal of empty containers.~~

(d) *For purposes of this section, pesticide containers do not include containers that have held sanitizers and disinfectants, pesticides labeled primarily for use on humans or pets, or pesticides not requiring dilution or mixing.*

Sec. 5. Minnesota Statutes 1992, section 18B.14, subdivision 2, is amended to read:

Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more for more than ten consecutive days at a bulk pesticide storage facility must obtain a pesticide storage permit from the commissioner as required by rule.

(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored. An application for a facility that includes both fertilizers as regulated under chapter 18C and bulk pesticides as regulated under this chapter shall pay only one application fee of \$100.

(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.

(d) A person must obtain a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters a bulk pesticide storage facility. If an application is incomplete, the commissioner must notify the applicant as soon as possible. The permit must be acted upon within 30 days after receiving a completed application.

(e) An application to substantially alter a facility must be accompanied by a \$50 fee. An application for a facility that includes both fertilizers regulated under chapter 18C and bulk pesticides regulated under this chapter shall pay only one application fee of \$50.

(f) ~~An additional application fee of \$250 must be paid by an applicant a person who begins construction of, or substantially alters, a bulk pesticide agricultural chemical storage facility before a permit is issued by the commissioner. The fee under this paragraph may not be charged if the permit is not acted upon within 30 days after receiving a completed application, except that the \$250 additional fee may not be assessed if the person submits a permit application with the required fee to the commissioner before completing the construction or substantial alteration.~~

Sec. 6. Minnesota Statutes 1992, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Aquaculture therapeutics shall be registered and labeled in the same manner as pesticides. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used ~~only~~ for a period of two years following the cancellation of the registration of the pesticide, unless the commissioner determines that the continued use of the pesticide would cause unreasonable adverse effects on the environment, or with the written permission of the commissioner: To use the unregistered pesticide at any time after the two-year period, the pesticide end user must demonstrate to the satisfaction of the commissioner, if requested, that the pesticide has been continuously registered under a different brand name or by a different manufacturer and has similar composition, or, the pesticide end user obtains the written permission of the commissioner.

(d) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

Sec. 7. Minnesota Statutes 1992, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990, at one-fifth of one percent for calendar year 1991, and at two-fifths of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250 ~~plus an additional one-tenth of one percent for each pesticide for which the United States Environmental Protection Agency, Office of Water, has published a Health Advisory Summary by December 1 of the previous year.~~ The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. Of the amount collected after calendar year 1990, at least \$600,000 per fiscal year

must be credited to the waste pesticide account under section 18B.065, subdivision 5, and the additional amount collected for pesticides with Health Advisory Summaries shall be credited to the agricultural project utilization account under section 1160.13 to be used for pesticide use reduction grants by the agricultural utilization research institute.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

Sec. 8. Minnesota Statutes 1992, section 18B.31, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), a person ~~no individual~~ may not distribute at wholesale or retail or possess offer for sale or sell a restricted use pesticides or bulk pesticides with an intent to distribute them to an ultimate pesticide to a pesticide end user from any fixed location without a pesticide dealer license.

(b) ~~The A pesticide dealer license requirement does not apply to~~ is not required for:

(1) a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;

(2) a federal, state, county, or municipal agency using restricted use pesticides for its own programs; or

(3) a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; or

(4) a person at a fixed location that is not used to offer for sale or sell restricted use or bulk pesticides including, but not limited to, warehouses or other storage sites.

(c) A licensed pesticide dealer may sell restricted use pesticides only to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.

(d) A pesticide dealer license is required for an individual not located in Minnesota who offers for sale or sells a restricted use or bulk pesticide to a pesticide end user located in Minnesota.

(e) Only one pesticide dealer license is required per fixed location from which an individual offers for sale or sells a restricted use or bulk pesticide to an end user.

Sec. 9. Minnesota Statutes 1992, section 18B.36, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training that meets or exceeds United States Environmental Protection Agency standards to certify private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include an examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of three *calendar* years ~~from the applicant's nearest birthday~~ including the first year of certification, and expires December 31 of the third year.

(c) The commissioner shall issue a private applicator card to a private applicator.

Sec. 10. Minnesota Statutes 1992, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. *Noncommercial applicators must keep records of restricted use pesticides.* The record must include the:

- (1) date of the pesticide use;
- (2) time the pesticide application was completed;
- (3) brand name of the pesticide, the United States Environmental Protection Agency registration number, and dosage used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name and signature of applicator, name of company, license number of applicator, and address of applicator company; and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single page document for each pesticide application, except a map may be attached to identify treated areas. For the rights-of-way and wood preservative categories, the required record may not exceed five pages. An invoice containing the required information may constitute the required record. The commissioner shall make sample forms available to meet the requirements of this paragraph.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(c) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 11. Minnesota Statutes 1992, section 18C.005, subdivision 13, is amended to read:

Subd. 13. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P_2O_5) phosphate (P_2O_5), and soluble potassium (K) or soluble potash (K_2O) (K_2O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis except the grade of bone meals, manures, and similar raw materials may be stated in fractional units, and specialty fertilizers may be stated in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid phosphate, and soluble potassium or soluble potash.

Sec. 12. Minnesota Statutes 1992, section 18C.005, subdivision 35, is amended to read:

Subd. 35. [SUBSTANTIALLY ALTERING; SUBSTANTIALLY ALTER; SUBSTANTIAL ALTERATION.] "Substantially altering," "substantially alter," or "substantial alteration" means modifying a bulk agricultural chemical storage facility by:

- (1) changing the capacity of a safeguard;
- (2) adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping, in excess of the capacity of a safeguard as required by rule;
- (3) increasing the size of the largest storage container in a safeguard as approved or permitted by the commissioner of agriculture; or
- (4) adding or changing anhydrous ammonia storage containers or adding ammonia loading or unloading stations. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping, or of existing mixing, blending, weighing, and or handling equipment. For dry bulk fertilizer, a person may decrease storage capacity without a substantial alteration permit and may increase storage capacity up to 150 tons per location annually without a substantial alteration permit.

Sec. 13. Minnesota Statutes 1992, section 18C.115, subdivision 2, is amended to read:

Subd. 2. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the 1989 1993 official publication, number 42 46, of the association of American plant food control officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 14. Minnesota Statutes 1992, section 18C.211, subdivision 1, is amended to read:

Subdivision 1. [N, P, AND K NUTRIENT CONTENT STATED.] (a) Until the commissioner prescribes the alternative form of guaranteed analysis, it must be stated as provided in this subdivision.

(b) A guaranteed analysis must state the percentage of plant nutrient content, if claimed, in the following form:

Total Nitrogen (N)	... percent
Available Phosphoric Acid (P ₂ O ₅)	
Phosphate (P ₂ O ₅)	... percent
Soluble Potash (K ₂ O)	... percent"

(c) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid phosphate or degree of fineness may also be stated.

Sec. 15. Minnesota Statutes 1992, section 18C.215, subdivision 2, is amended to read:

Subd. 2. [BLENDED AND MIXED FERTILIZER.] (a) A distributor who blends or mixes fertilizer to a customer's order without a guaranteed analysis of the final mixture must furnish each purchaser with an invoice or delivery ticket in written or printed form showing the net weight and guaranteed analysis of each of the materials used in the mixture.

(b) ~~The invoice or delivery ticket must accompany the delivery.~~

(e) Records of invoices or delivery tickets must be kept for five years after the delivery or application.

Sec. 16. Minnesota Statutes 1992, section 18C.305, subdivision 2, is amended to read:

Subd. 2. [PERMIT FEES.] (a) An application for a new facility must be accompanied by a nonrefundable application fee of \$100 for each location where fertilizer is stored.

(b) An application to substantially alter a facility must be accompanied by a nonrefundable \$50 fee.

(c) ~~In addition to the fees under paragraphs (a) and (b),~~ *An additional fee of \$250 must be paid by an applicant a person who begins construction of, or substantial alteration substantially alters a bulk agricultural chemical storage facility before a permit is issued by the commissioner, except that the \$250 additional fee may not be assessed if the person submits a permit application with the required fee to the commissioner before completing the construction or substantial alteration.*

(d) An application for a facility that includes both fertilizers, as regulated under this chapter, and pesticides as regulated under chapter 18B shall pay only one application fee of \$100.

Sec. 17. Minnesota Statutes 1992, section 18D.103, is amended by adding a subdivision to read:

Subd. 3. [EXCEPTION.] A responsible party or an owner of real property who is a licensed or certified private or commercial pesticide applicator is not required to report an incident to the commissioner under this section if the amount of pesticide involved in the release is less than the maximum amount of the pesticide that, consistent with its label, can be applied to one acre of agricultural crop land unless the release occurred into or near public water or groundwater.

Sec. 18. Minnesota Statutes 1992, section 18D.105, is amended by adding a subdivision to read:

Subd. 3a. [PASSIVE BIOREMEDIATION.] Passive bioremediation must be considered for pesticide cleanups whenever an assessment of the site determines that there is a low potential risk to public health and the environment. The assessment may include the soil types involved, leaching potential, underlying geology, proximity to ground and surface water, and the soil half-life of the pesticides.

Sec. 19. Minnesota Statutes 1992, section 18E.03, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded;
and

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) by the board to reimburse the commissioner for board staff and other administrative costs up to \$150,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 20. Minnesota Statutes 1992, section 18E.03, subdivision 4, is amended to read:

Subd. 4. [FEE THROUGH 1990.] (a) The response and reimbursement fee consists of the ~~surcharge fees~~ *surcharges and any adjustments made by the commissioner in this subdivision and shall be collected until March 1, 1994 by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision.*

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the ~~period April 1, 1990, through December 31, 1990~~ *previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner, pesticides labeled solely for use directly on humans or pets, or pesticides not requiring dilution or mixing and labeled for use in areas associated with household or home life as determined by the commissioner, but excluding turf or garden use.* The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this

state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a ~~\$150~~ \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a ~~\$150~~ \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a \$25 surcharge for licensed lawn service applicators under chapter 18B or 18C, to be imposed on license application fees.

(e) If a person has more than one license for a site, only one surcharge may be imposed to cover all the licenses for the site.

(f) (e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(g) (f) Paragraphs (c) to (f) (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

Sec. 21. Minnesota Statutes 1992, section 18E.03, subdivision 6, is amended to read:

Subd. 6. [REVENUE SOURCES.] Revenue from the following sources

must be deposited in the state treasury and credited to the agricultural chemical response and reimbursement account:

- (1) the proceeds of the fees imposed by subdivisions 3 and 5 4;
- (2) money recovered by the state for expenses paid with money from the account;
- (3) interest attributable to investment of money in the account; and
- (4) money received by the commissioner in the form of gifts, grants other than federal grants, reimbursements, and appropriations from any source intended to be used for the purposes of the account.

Sec. 22. Minnesota Statutes 1992, section 18E.03, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION AND REIMBURSEMENT.] The amount of the response and reimbursement fee imposed under subdivisions 3 to 5 and 4 is appropriated from the general fund to the agricultural chemical response and reimbursement account to be reimbursed when the fee is collected.

Sec. 23. Minnesota Statutes 1992, section 18E.04, is amended by adding a subdivision to read:

Subd. 2a. [INELIGIBILITY FOR REIMBURSEMENT OR PAYMENT.] *Pesticides that are sanitizers and disinfectants, pesticides labeled solely for use directly on humans or pets, or pesticides not requiring dilution or mixing and labeled for use in areas associated with household or home life that are exempted from surcharges are ineligible for reimbursement or payment under this section.*

Sec. 24. Minnesota Statutes 1992, section 325F.19, subdivision 7, is amended to read:

Subd. 7. "Presenting a clear and present danger" means known to cause physical damage to structure or health hazards to occupants through continuing direct contact or release of a hazardous ~~substances~~ *substance* as defined in section ~~24.33 115B.02.~~

Sec. 25. [REPORT ON PESTICIDE CONTAINERS AND WASTE PESTICIDES.]

The commissioner shall prepare a report with recommendations to the legislature by January 1, 1995, and a second report by January 1, 1997, on the handling of empty pesticide containers and unused portions of pesticides using the following criteria:

- (1) *the minimization of the disposal of pesticide containers and waste pesticides;*
- (2) *the collection and recycling of pesticide containers;*
- (3) *the collection and disposal of waste pesticides; and*
- (4) *recommendations for the internalization of the management costs for waste pesticides and pesticide containers amongst pesticide manufacturers, distributors, and retailers.*

Sec. 26. [APPROPRIATION.]

\$200,000 in fiscal year 1994 and \$200,000 in fiscal year 1995 is appropriated from the pesticide regulatory account to the agricultural utilization research institute for pesticide best management practice evaluation grants and agricultural chemical spill site remediation research grants in consultation with the department of agriculture.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, sections 18C.211, subdivision 3; 18C.215, subdivision 3; 18E.03, subdivision 5; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; and 24.42, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for the continued use of unregistered pesticides; modifying procedures for the return of empty pesticide containers and unused portions of pesticides; changing the amounts of the ACCRA surcharges; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; making changes in the laws on pesticides and agricultural chemicals; repealing the hazardous substance labeling act; appropriating money; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 18B.065, by adding a subdivision; 18B.135, subdivision 1; 18B.14, subdivision 2; 18B.26, subdivisions 1 and 3; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18D.103, by adding a subdivision; 18D.105, by adding a subdivision; 18E.03, subdivisions 2, 4, 6, and 7; 18E.04, by adding a subdivision; and 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18C.211, subdivision 3; 18C.215, subdivision 3; 18E.03, subdivision 5; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; and 24.42."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1060: A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; authorizing an ethanol development program; appropriating money; amending Minnesota Statutes 1992, sections 41B.02, subdivisions 7, 12, 14, 15, and by adding subdivisions; 41B.03, subdivision 3; 41B.04, subdivision 9, and by adding a subdivision; and 41C.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 41B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 1a. [AMORTIZED RESTRUCTURED LOAN.] "Amortized restructured loan" means a loan after it has been modified pursuant to section 41B.04, subdivision 9, paragraph (d).

Sec. 2. Minnesota Statutes 1992, section 41B.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED INTEREST.] "Deferred interest" means that portion of the interest on primary principal and secondary principal the payment of which is deferred for the term of the *deferred restructured loan*. The deferred interest on primary principal may accrue at a different rate from the deferred interest on secondary principal as described in section 41B.04.

Sec. 3. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 7a. [DEFERRED RESTRUCTURED LOAN.] "*Deferred restructured loan*" means a loan after it has been modified pursuant to section 41B.04, subdivision 9, paragraph (a).

Sec. 4. Minnesota Statutes 1992, section 41B.02, subdivision 12, is amended to read:

Subd. 12. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the outstanding balance on a loan covered by section 41B.04 that is equal to the current market value of the property secured by the loan or such lesser amount as may be established by the authority by rule.

Sec. 5. Minnesota Statutes 1992, section 41B.02, subdivision 14, is amended to read:

Subd. 14. [RESTRUCTURED LOAN.] "Restructured loan" means both a *deferred restructured loan* and an *amortized restructured loan* after it is modified pursuant to section 41B.04.

Sec. 6. Minnesota Statutes 1992, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the outstanding balance of a *deferred restructured loan* covered by section 41B.04 that is in excess of the ~~current market value of the property secured by the loan~~ *primary principal*.

Sec. 7. Minnesota Statutes 1992, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$200,000 in 1991 and an amount in subsequent years ~~determined~~ *which is adjusted for inflation by multiplying \$200,000 by the cumulative inflation rate in years subsequent to 1991 as determined by the United States All-Items Consumer Price Index;*

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence. *The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and has either a four year degree in an agricultural program or certification as an adult farm management instructor; and*

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 8. Minnesota Statutes 1992, section 41B.04, subdivision 9, is amended to read:

Subd. 9. [RESTRUCTURED LOAN AGREEMENT.] (a) *For a deferred restructured loan, all payments on the primary and secondary principal of the restructured loan, all payments of interest on the secondary principal, and an agreed portion of the interest payable to the eligible agricultural lender on the primary principal must be deferred to the end of the term of the loan.*

~~(b) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.~~

(c) Interest on secondary principal must accrue at a below market interest rate.

~~(d)~~ (c) At the conclusion of the term of the restructured loan, the borrower owes primary principal, secondary principal, and deferred interest on primary and secondary principal. However, part of this balloon payment may be forgiven following an appraisal by the lender and the authority to determine the current market value of the real estate subject to the mortgage. If the current market value of the land after appraisal is less than the amount of debt owed by the borrower to the lender and authority on this obligation, that portion of the obligation that exceeds the current market value of the real property must be forgiven by the lender and the authority in the following order:

(1) deferred interest on secondary principal;

(2) secondary principal;

(3) deferred interest on primary principal;

(4) primary principal as provided in an agreement between the authority and the lender; and

(5) accrued but not deferred interest on primary principal.

(d) For an amortized restructured loan, payments must include installments on primary principal and interest on the primary principal. An amortized restructured loan must be amortized over a time period and upon terms to be established by the authority by rule.

(e) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.

(e) (f) The authority may not participate in refinancing a restructured loan at the conclusion of the restructured loan.

Sec. 9. Minnesota Statutes 1992, section 41B.04, is amended by adding a subdivision to read:

Subd. 17. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund.

Sec. 10. Minnesota Statutes 1992, section 41C.05, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; BEGINNING FARMERS.] The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or a contract on behalf of a beginning farmer may be provided if the borrower qualifies under section 41B.03 and authority rules and under federal tax law governing qualified small issue bonds, and must:

- (1) be a resident of Minnesota;*
- (2) have sufficient education, training, or experience in the type of farming for which the loan is desired;*
- (3) have a low or moderate net worth, as defined in section 41C.02, subdivision 12;*
- (4) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;*
- (5) certify that farming will be the principal occupation of an individual borrower;*
- (6) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and provides justification; and*
- (7) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.*

Sec. 11. [APPROPRIATION.]

\$17,000 in fiscal year 1994 and \$17,000 in fiscal year 1995 is appropriated from the special revenue fund to the commissioner of agriculture for administrative expenses for the loan restructuring program."

Delete the title and insert:

"A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; appropriating money; amending Minnesota Statutes 1992, sections 41B.02, subdivisions 7,

12, 14, 15, and by adding subdivisions; 41B.03, subdivision 3; 41B.04, subdivision 9, and by adding a subdivision; and 41C.05, subdivision 2.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 553: A bill for an act relating to retirement; Minneapolis and St. Paul teacher retirement fund associations; providing additional funding from various sources; assessing active and retired members for certain teacher retirement fund associations supplemental administrative expenses; modifying certain post retirement adjustments; authorizing contributions by the city of Minneapolis; appropriating money; authorizing certain tax levies by special school district No. 1; amending Minnesota Statutes 1992, sections 354A.12, subdivisions 2, 2a, and by adding subdivisions; and Laws 1959, chapter 462, section 3, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1987, chapter 372, article 3, section 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, lines 13 and 15, delete “education” and insert “finance”

Page 5, lines 4, 15, and 16, delete “education” and insert “finance”

Page 5, delete lines 18 to 24

Page 7, line 13, after the period, insert “*Supplemental administrative expenses payable by the active members of the pension plan must be picked up by the employer in accordance with section 356.62.*”

Pages 9 to 12, delete section 8

Page 13, line 22, delete “8, 10, and 11” and insert “9, and 10”

Page 13, line 28, delete “9” and insert “8”

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 984: A bill for an act relating to state government; modifying provisions relating to the department of administration; including state licensed facilities in coverage by the state building code; clarifying certain language, changing certain duties of the state building inspector and fee provisions; relating to the Minnesota labor interpretive center; establishing the center as an independent public corporation; transferring appropriations; appropriating money; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 15.50, subdivision 2; 16A.11, by adding a subdivision; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42, subdivisions 1, 2, 3, and 4; 16B.465, subdivisions 3 and 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.58, subdivision 8; 16B.60, subdivision 3, and by adding a subdivision; 16B.61, subdivisions 1a and 4; 16B.62, subdivision 1; 16B.66; 16B.70, subdivision 2; 16B.72; 16B.73; 16B.85,

subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; proposing coding for new law as Minnesota Statutes, chapter 138A; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

DEPARTMENT OF ADMINISTRATION

Section 1. Minnesota Statutes 1992, section 13B.04, is amended to read:

13B.04 [REPORT.]

A responsible authority that participates in a matching program shall prepare a report describing matching programs in which the responsible authority has participated during the previous calendar year. The report must be included in a state agency's description of its information systems prepared under section 3.3026, subdivision 3 filed annually with the department of administration.

Sec. 2. Minnesota Statutes 1992, section 15.061, is amended to read:

15.061 [~~CONSULTANT, PROFESSIONAL AND OR TECHNICAL SERVICES.~~]

Pursuant to the provisions of *In accordance with* section 16B.17, the head of a state department or agency may, with the approval of the commissioner of administration, contract for ~~consultant services and professional and or~~ technical services in connection with the operation of the department or agency. A contract negotiated under this section shall ~~is not be~~ subject to the competitive bidding requirements of chapter ~~16~~ 16B.

Sec. 3. Minnesota Statutes 1992, section 16B.06, subdivision 2, is amended to read:

Subd. 2. [VALIDITY OF STATE CONTRACTS.] A state contract or lease is not valid and the state is not bound by it until it has first been executed by the head of the agency which is a party to the contract and has been approved in writing by the commissioner or a delegate, under this section, by the ~~attorney general or a delegate as to form and execution,~~ and by the commissioner of finance or a delegate, who shall determine that the appropriation and allotment have been encumbered for the full amount of the contract liability. The head of the agency may delegate the execution of specific contracts or specific types of contracts to a ~~deputy or assistant head~~ *within the an agency employee* if the delegation has been approved by the commissioner of administration and filed with the secretary of state. A copy of every contract or lease extending for a term longer than one year must be filed with the commissioner of finance.

Sec. 4. Minnesota Statutes 1992, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. *Notwithstanding subdivision 6a, paragraph (a),* the commissioner may lease land or premises for five up to ten years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. An agency or department head must consult with the chairs of the house appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available or use of the space is not feasible, prudent, and cost effective compared with available alternatives.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 5. Minnesota Statutes 1992, section 16B.32, subdivision 2, is amended to read:

Subd. 2. [ENERGY CONSERVATION GOALS; EFFICIENCY PROGRAM.] (a) The commissioner of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures of up to \$15,000,000 by July 1, 1996, on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency

improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent, and climate control energy consumption per square foot could be reduced by at least 15 percent from consumption in the base year of 1990. All agencies participating in the program must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.

(b) The commissioner may exclude from the program of paragraph (a) a building in which energy conservation measures are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in five ten years or within the remaining period of a lease, whichever time is shorter, and involves energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

(e) By January 1, 1993, the commissioner shall submit to the legislature a report that includes:

- (1) an energy use survey of new or added space state buildings occupy;
- (2) a plan for conserving energy without undertaking any physical alterations of the space;
- (3) recommendations for physical alterations that would enable the agency to conserve additional energy along with an estimate of the cost of the alterations; and
- (4) recommendations for additional legislation needed to achieve the goal along with an estimate of any costs associated with the recommended legislation.

Sec. 6. Minnesota Statutes 1992, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The commissioner of administration shall appoint an intergovernmental information systems advisory council, to serve at the pleasure of the commissioner of administration, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area, and public libraries; (3) one member each from appointed by the state departments of administration, education, human services, revenue, and jobs

and training, the office of strategic and long-range planning, and the legislative auditor; (4) one member from the office of the state auditor, appointed by the auditor; and (5) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council the assistant commissioner of administration for the information policy office; (6) one member appointed by each of the following organizations: league of Minnesota cities, association of Minnesota counties, Minnesota association of township officers, and Minnesota association of school administrators; and (7) one member of the house of representatives appointed by the speaker and one member of the senate appointed by the subcommittee on committees of the committee on rules and administration. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of the appointed members of the advisory council shall be as provided in section 15.059, but the council does not expire until June 30, 1993 15.0575.

Sec. 7. Minnesota Statutes 1992, section 16B.42, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The council shall: assist the commissioner state and local agencies in developing and updating intergovernmental information systems, including data definitions, format, and retention standards; recommend to the commissioner policies and procedures governing the collection, security, and confidentiality of data; facilitate participation of users during the development of major revisions of intergovernmental information systems; review intergovernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among state and local governments in developing intergovernmental information systems to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form; present local government concerns to state government and state government concerns to local government with respect to intergovernmental information systems; develop and recommend standards and policies for intergovernmental information systems to the information policy office; foster the efficient use of available federal, state, local, and private resources for the development of intergovernmental systems; keep local governments government agencies abreast of the state of the art in information systems; and; prepare guidelines for intergovernmental systems; and assist the commissioner of administration in the development of cooperative contracts for the purchase of information system equipment and software.

Sec. 8. Minnesota Statutes 1992, section 16B.42, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The intergovernmental informations systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership, which must include the assistant commissioner of the information policy office; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for

development, implementation, and modification of automated systems, including formation of consortiums for those systems; and (5) appoint committees and task forces, which may include persons other than council members, to assist the council in carrying out its duties.

Sec. 9. Minnesota Statutes 1992, section 16B.42, subdivision 4, is amended to read:

Subd. 4. [FUNDING.] Appropriations and other funds made available to the council for staff, operational expenses, projects, and grants must be administered through the department of administration are under the control of the council. The council may contract with the department of administration for staff services and administrative support. The council shall reimburse the department for these services. The council may request assistance from other state and local agencies in carrying out its duties. Fees charged to local units of government for the administrative costs of the council and revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations must be credited to the general fund. The unencumbered balance of an appropriation for grants in the first year of a biennium does not cancel but is available for the second year of the biennium.

Sec. 10. Minnesota Statutes 1992, section 16B.465, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The commissioner, after consultation with the council, shall:

(1) provide voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through the statewide telecommunications access routing system an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the system users;

(3) set rates and fees for services;

(4) approve contracts relating to the system;

(5) develop the system plan, including plans for the phasing of its implementation and maintenance of the initial system, and the annual program and fiscal plans for the system; and

(6) develop a plan for interconnection of the network with private colleges in the state.

Sec. 11. Minnesota Statutes 1992, section 16B.465, subdivision 6, is amended to read:

Subd. 6. [REVOLVING FUND.] The statewide telecommunications access and routing system shall operate as part of the intertechnologies revolving fund. Money appropriated to the account for the statewide telecommunications access routing system and fees for communications telecommunications services provided by the statewide telecommunications access and routing system must be deposited in the an account in the intertechnologies revolving fund. Money in the account is appropriated annually to the commissioner to operate the statewide telecommunications access and routing system services.

Sec. 12. Minnesota Statutes 1992, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service, including purchasing postage and related items and refunding postage deposits;
- (4) to operate a documents service as prescribed by section 16B.51;
- (5) provide advice and other services to political subdivisions for the management of their telecommunication systems;
- (6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;
- (7) (6) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;
- (8) (7) to provide capitol security services through the department of public safety;
- (9) (8) to operate a records center and provide micrographics products and services; and
- (10) (9) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 13. Minnesota Statutes 1992, section 16B.48, subdivision 3, is amended to read:

Subd. 3. [INTERTECHNOLOGIES REVOLVING FUND.] Money in the intertechnologies revolving fund is appropriated annually to the commissioner to operate information, records, and telecommunications services, including management, consultation, and design services.

Sec. 14. [16B.482] [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner of administration may provide materials and services under chapter 16B to state legislative and judicial branch agencies and to political subdivisions. Legislative and judicial branch agencies and political subdivisions purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for costs.

Sec. 15. Minnesota Statutes 1992, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters ~~either in the capitol or in adjoining state buildings~~ *within the boundaries of the city of St. Paul* must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days.

Sec. 16. Minnesota Statutes 1992, section 16B.51, subdivision 2, is amended to read:

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, *data*, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Sec. 17. Minnesota Statutes 1992, section 16B.51, subdivision 3, is amended to read:

Subd. 3. [SALE OF PUBLICATIONS.] The commissioner may sell official reports, documents, *data*, and ~~other~~ publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service. The commissioner may remit a portion of the price of any publication or *data* to the agency producing the publication or *data*. *Money that is remitted to an agency is annually appropriated to that agency to discharge the costs of preparing the publications or data.*

Sec. 18. [16B.581] [DISTINCTIVE TAX-EXEMPT LICENSE PLATES.]

Vehicles owned or leased by the state of Minnesota must display distinctive tax-exempt license plates unless otherwise exempted under section 168.012. The commissioner of administration shall design these distinctive plates subject to the approval of the registrar. An administrative fee of \$20 and a license plate fee of \$10 for two plates per vehicle or a license plate fee of \$5 for one plate per trailer is paid at the time of registration. The license plate registration is valid for the life of the vehicle or until the vehicle is no longer owned or leased by the state of Minnesota.

When the state of Minnesota applies for distinctive tax-exempt plates on vehicles previously owned by local units of government, it shall pay an administrative fee of \$10 and a plate fee that covers the cost of replacement.

Sec. 19. Minnesota Statutes 1992, section 16B.85, subdivision 1, is amended to read:

Subdivision 1. [ALTERNATIVES TO CONVENTIONAL INSURANCE.] The commissioner may implement programs of insurance or alternatives to the purchase of conventional insurance ~~for~~. *This authority does not extend to areas of risk not subject to: (1) collective bargaining agreements, (2) plans established under section 43A.18, or (3) programs established under sections 176.540 to 176.611, except for the department of administration.* The mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Sec. 20. Minnesota Statutes 1992, section 94.10, subdivision 1, is amended to read:

Subdivision 1. Before offering ~~any~~ surplus state owned lands for sale, the commissioner of administration may survey ~~such the lands, and if the value thereof is estimated to be \$20,000 or less, may have such lands appraised.~~ *If the land is located in the metropolitan area defined in section 473.121, subdivision 2, the commissioner shall have the lands appraised if the estimated value is in excess of \$20,000 \$40,000. If the land is outside the metropolitan area, the commissioner shall have the land appraised if the estimated value is in excess of \$20,000.* The appraisal ~~shall~~ *must* be made by ~~not less than three appraisers, at least two of whom shall be residents of the county in which the lands are situated an appraiser selected by the commissioner.~~ Each appraiser shall before entering upon the duties of the office take and subscribe an oath that the appraiser will faithfully and impartially discharge the duties as appraiser according to the best of the appraiser's ability and that the appraiser is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements ~~thereon on the land or in the purchase thereof of the land~~ and has entered into no agreement or combination to purchase ~~the same or any part thereof, which oath shall all or part of the land.~~ A copy of the oath ~~must~~ *shall* be attached to the report of ~~such the appraisal.~~ Before offering ~~such~~ surplus state owned lands for public sale, ~~such the lands shall~~ *must* first be offered to the city, county, town, school district, or other public body ~~corporate or politic~~ in which the lands are situated for public purposes, and they may be sold for ~~such~~ public purposes for not less than ~~the~~ *their* appraised value ~~thereof.~~ To determine whether a public body desires to purchase the surplus land, the commissioner of administration shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land, it shall submit a written offer to the commissioner not later than two weeks after receipt of notice, setting forth in detail its reasons for desiring to acquire and its intended use of the land. In the event that more than one public body tenders an offer, the commissioner shall determine which party ~~shall~~ *is* to receive the property; and shall submit written findings regarding the decision. If lands are offered for sale for ~~such~~ public purposes, and if a public body notifies the commissioner of administration of its desire to acquire ~~such the lands,~~ the public body may have ~~not to exceed not more than~~ two years from the date of the accepted offer to commence payment for the lands in the manner provided by law.

Sec. 21. Minnesota Statutes 1992, section 343.01, is amended by adding a subdivision to read:

Subd. 1a. [MINNESOTA HUMANE SOCIETY; CONTINUATION CONFIRMED.] The Minnesota humane society, also known as the Minnesota society for the prevention of cruelty, is confirmed and continued as a nonprofit organization under chapter 317A.

Sec. 22. Minnesota Statutes 1992, section 343.01, is amended by adding a subdivision to read:

Subd. 1b. [INDEPENDENT ORGANIZATIONS; POWERS OF THE FEDERATED HUMANE SOCIETIES.] (a) The Minnesota humane society, also known as the Minnesota society for the prevention of cruelty, and the Minnesota federated humane societies are not affiliated with each other or with the state of Minnesota.

(b) The Minnesota federated humane societies have the powers given to it under this chapter.

Sec. 23. Minnesota Statutes 1992, section 343.01, subdivision 2, is amended to read:

Subd. 2. [NAME OF FEDERATION UNAUTHORIZED USE OF NAMES PROHIBITED.] It shall be unlawful for any organization, association, firm or corporation not authorized by named in this chapter to refer to itself as or in any way to use the names Minnesota federated humane societies, Minnesota society for the prevention of cruelty, the Minnesota humane society, or any combination of words or phrases using the above names which would imply that it represents, acts in behalf or is a branch of the society or the federation.

Sec. 24. Minnesota Statutes 1992, section 343.01, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] The federation and the society must each be governed by a board of directors designated in accordance with chapter 317A. The powers, duties, and organization of the federation and the society and other matters for the conduct of the business of the federation shall be and the society are as provided in chapter 317A and in the federation's articles of incorporation and bylaws of each organization.

Sec. 25. Minnesota Statutes 1992, section 403.11, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY TELEPHONE SERVICE FEE.] (a) Each customer of a local exchange company is assessed a fee to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service, plus administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program. Recurring charges by a public utility providing telephone service for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner for information of administration if the utility is included in an approved 911 plan and the charges have been certified and approved under subdivision 3. Money remaining in the 911 emergency telephone service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner of administration to provide financial assistance to counties for the improvement of local emergency telephone services. The improvements may include providing access to minimum 911 service for telephone service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the department.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. The fee must be the same for all customers.

(c) The fee must be collected by each utility providing local exchange telephone service. Fees are payable to and must be submitted to the commissioner of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telephone service account in the special revenue fund. The money in the account may only be used for 911 telephone services as provided in paragraph (a).

(d) The commissioner of administration, with the approval of the commissioner of finance, shall establish the amount of the fee within the limits specified and inform the utilities of the amount to be collected. Utilities must be given a minimum of 45 days notice of fee changes.

Sec. 26. Laws 1979, chapter 333, section 18, is amended to read:

Sec. 18. [ADMINISTRATION]

General Operations and Management	15,136,500	15,595,900
Approved Complement – 956		
General – 485		
Special – 11		
Federal – 7		
Revolving – 453		

The amounts that may be expended from this appropriation for each program are as follows:

Management Services

\$ 3,311,200 \$ 3,493,300

The commissioner of administration shall transfer two positions from management analysis to records management to allow the department to meet its responsibilities for records management. These positions may revert to management analysis when they are no longer needed to meet those responsibilities.

Real Property Management

\$ 7,804,200 \$ 7,780,900

~~The commissioner of administration shall charge the department of transportation and the iron range resources and rehabilitation board for engineering services performed on behalf of these agencies.~~

The unencumbered balance in appropriation accounts 16078:14-11 and 16072:14-11 shall be cancelled on July 1, 1979.

State Agency Services

\$ 1,224,400 \$ 1,222,000
For 1979 – \$169,200

\$169,200 is available as an advance from the general fund to the surplus property revolving fund. Of this amount, \$67,700 is immediately available for payment of outstanding obligations, \$40,000 is immediately available as working capital, and \$61,500 is available for the reduction of obligations incurred between March 1, 1979, and February 29, 1980.

The commissioner of administration shall provide a monthly report to the commissioner of finance consisting of: an operations statement, a balance sheet, an analysis of changes in retained earnings, and a source and use of funds statement. The commissioner of finance is responsible for approving the allotment of the \$61,500 portion of the advance and shall give his approval when potential deficiencies are forecast. If it appears that the \$61,500 portion of the advance will be exhausted prior to January 15, 1980, the commissioner of finance shall promptly notify the governor and the legislative advisory commission of the need for an additional advance.

The commissioner of administration shall by January 15, 1980, provide copies of all monthly reports through the period ending December 31, 1979, to the senate finance committee and the house appropriations committee. The commissioner of finance shall by January 15, 1980, recommend the continuance or discontinuance of the federal surplus property activity to the committee on finance in the senate and the committee on appropriations of the house of representatives.

The advance of \$169,200 shall be returned in full or in increments to the general fund from the surplus property revolving fund when the commissioner of finance determines that retained earnings are in excess of the working capital requirements of the surplus property revolving fund. In the event the surplus property revolving fund is discontinued, any portion of the advance of \$169,200 that has not been returned to the general fund shall, immediately upon liquidation of assets, be paid to the general fund.

Public Services

\$ 1,748,900 \$ 2,053,400

\$37,000 the first year and \$40,700 the second year is for the state contribution to the National Conference of State Legislatures.

\$43,900 each year is for the state contribution to the Council of State Governments.

\$6,500 each year is for the expenses of the Interstate Cooperation Commission.

\$5,000 each year is for the Minnesota state employees band.

General Support

\$ 1,047,800 \$ 1,046,300

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to

the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 27. Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended by Laws 1992, chapter 514, section 20, is amended to read:

Subd. 4. Property Management

23,387,000 8,349,000

\$175,000 the first year and \$175,000 the second year from the program's total appropriation are for capitol area repairs and replacements. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

\$3,825,000 the first year and \$3,884,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

The department of administration shall discontinue food service management in the state office building for the biennium ending June 30, 1993. Food service shall be managed by the house rules committee as a pilot project for the biennium.

\$50,000 the first year is for the commissioner of administration to study the potential uses for the Waseca campus. The commissioner shall appoint an advisory committee to assist with the study. The commissioner shall report the findings and recommendations from the study to the board of regents, and the education, appropriations, and finance committees of the legislature by January 15, 1992. The appropriation is available if matched by \$1 of nonstate money for each \$10 of this appropriation. In addition, the board of regents of the University of Minnesota is requested to provide additional funding up to \$50,000 to assist in the cost of the study.

The department of administration in consultation with the capitol area architectural and planning board shall study the historic renovation and potential reuse of the Dahl house and report to the senate finance and house appropriations committees by February 1, 1992.

By January 31, 1993, The department of administration shall relocate the state printing ~~operation and related operations~~ from the Ford building to a more suitable location, ~~preferably outside the capitol complex~~ and shall relocate and consolidate offices of the attorney general in the Ford building- ~~when the Ford building shall be is~~ remodeled as office space or ~~when a replacement building is constructed on the site.~~

By December 31, 1992, the department of administration shall relocate the office of the state auditor to a location within the capitol complex.

\$350,000 the first year is for developing a framework for an integrated infrastructure management system including the establishment of a data base of building classification standards. The commissioner of administration shall report by January 1, 1992, on the time and cost of continuing the program for fiscal year 1993.

\$961,000 the first year is to improve security at state parking ramps and lots, to be available upon final enactment.

\$13,781,000 is for the costs relating to agency relocation, consolidation, and collocation, to be available upon final enactment.

Sec. 28. [LEGISLATIVE AUDITOR.]

The legislative audit commission shall consider directing the legislative auditor to conduct a follow-up study of agency contracting and compliance with laws governing contracting.

Sec. 29. [APPROPRIATION.]

\$200,000 is appropriated from the 911 emergency telephone service account in the special revenue fund to the commissioner of administration to provide emergency poison information through the 911 emergency telephone service. \$100,000 is for fiscal year 1994 and \$100,000 is for fiscal year 1995.

Sec. 30. [REPEALER.]

Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 3, 10 to 14, and 28 are effective on July 1, 1993. Sections 1, 2, 4 to 9, 15 to 27, and 30 are effective the day following final enactment.

ARTICLE 2

STATE BUILDING CODE

Section 1. Minnesota Statutes 1992, section 16B.60, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, the University of Minnesota, or the state for public buildings *and state licensed facilities*.

Sec. 2. Minnesota Statutes 1992, section 16B.60, is amended by adding a subdivision to read:

Subd. 11. [STATE LICENSED FACILITIES.] "State licensed facilities" means a building and its grounds that are licensed by the state as a hospital, nursing home, supervised living facility, free-standing outpatient surgical center, or correctional facility.

Sec. 3. Minnesota Statutes 1992, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings *and state licensed facilities* in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings *and state licensed facilities*. Fees and surcharges for public buildings *and state licensed facilities* must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings *and state licensed facilities* shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building *or a state licensed facility*. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings *and state licensed facilities* in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

Sec. 4. Minnesota Statutes 1992, section 16B.61, subdivision 4, is amended to read:

Subd. 4. [REVIEW OF PLANS FOR PUBLIC BUILDINGS AND STATE LICENSED FACILITIES.] Construction or remodeling may not begin on any public building ~~owned by the~~ *or state licensed facility* until the plans and specifications ~~of the public building~~ have been approved by the commissioner ~~or municipality under contractual agreement pursuant to subdivision 1a.~~ *In the case of any other public building,* The plans and specifications must be submitted ~~to the commissioner~~ for review, and within 30 days after receipt of the plans and specifications, the commissioner ~~or municipality under contractual agreement~~ shall notify the submitting authority of any ~~recommendations corrections.~~

Sec. 5. Minnesota Statutes 1992, section 16B.62, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The state building code applies statewide and supersedes the building code of any municipality. The state building code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the state building code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the state building code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city *outside of its jurisdiction* commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. ~~In areas outside of the enforcement authority of a city, the fee charged for the issuance of permits and inspections for single family dwellings may not exceed the greater of \$100 or .005 times the value of the structure, addition, or alteration.~~ The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

Sec. 6. Minnesota Statutes 1992, section 16B.66, is amended to read:

16B.66 [CERTAIN INSPECTIONS.]

The state building inspector may, upon an application setting forth a set of plans and specifications that will be used in more than one municipality to acquire building permits, review and approve the application for the construction or erection of any building or structure designed to provide dwelling space for no more than two families if the set of plans meets the requirements

of the state building code. All costs incurred by the state building inspector by virtue of the examination of the set of plans and specifications must be paid by the applicant. The plans and specifications or any plans and specifications required to be submitted to a state agency must be submitted to the state building inspector who shall examine them and if necessary distribute them to the appropriate state agencies for scrutiny regarding adequacy as to electrical, fire safety, and all other appropriate features. These state agencies shall examine and promptly return the plans and specifications together with their certified statement as to the adequacy of the instruments regarding that agency's area of concern. A building official shall issue a building permit upon application and presentation to the official of a set of plans and specifications bearing the approval of the state building inspector if the requirements of all other local ordinances are satisfied.

Sec. 7. Minnesota Statutes 1992, section 16B.70, subdivision 2, is amended to read:

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain *the greater of two percent of the surcharges or that amount collected up to \$25 to apply against the administrative expenses the municipality incurs in collecting the surcharges.* All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain *the greater of four percent of the surcharges or that amount collected up to \$25 to apply against the administrative expenses the municipalities incur in collecting the surcharges.* The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to ~~16B.71~~ 16B.73, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the general fund.

Sec. 8. Minnesota Statutes 1992, section 16B.72, is amended to read:

16B.72 [REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.]

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the state building code before January 1, 1977, that no part of the state building code except the building requirements for handicapped persons applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

“Shall the state building code be adopted in County?”

If the majority of the votes cast on the proposition is in the negative, the state building code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons do apply.

Nothing in this section precludes a ~~home rule charter or statutory city or town~~ municipality that did not adopt the state building code before January 1, 1977, from adopting and enforcing *by ordinance or other legal means* the state building code within its jurisdiction.

Sec. 9. Minnesota Statutes 1992, section 16B.73, is amended to read:

16B.73 [STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.]

The governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application under section 16B.72. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons, does not apply within their respective jurisdictions. *Nothing in this section precludes a municipality from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.*

Sec. 10. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall change each reference to "state building inspector" to "state building official" in sections 16B.62, subdivision 2; 16B.63, subdivisions 1 to 4; 16B.64, subdivision 7; and 16B.66.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that section 7 is effective July 1, 1993.

ARTICLE 3

REGULATING CONTRACTS FOR PROFESSIONAL OR TECHNICAL SERVICES

Section 1. Minnesota Statutes 1992, section 15.061, is amended to read:

15.061 [~~CONSULTANT, PROFESSIONAL AND OR TECHNICAL SERVICES.~~]

~~Pursuant to the provisions of~~ *In accordance with* section 16B.17, the head of a state department or agency may, with the approval of the commissioner of administration, contract for ~~consultant services and professional and or technical services~~ in connection with the operation of the department or agency. A contract negotiated under this section ~~shall is not be~~ subject to the competitive bidding requirements of chapter ~~46~~ 16B.

Sec. 2. Minnesota Statutes 1992, section 16A.11, is amended by adding a subdivision to read:

Subd. 3b. [CONTRACTS.] The detailed budget estimate must also include the following information on professional and technical services contracts:

(1) the number and amount of contracts over \$25,000 for each agency for the past biennium;

(2) the anticipated number and amount of contracts over \$25,000 for each agency for the upcoming biennium; and

(3) the total value of all contracts from the previous biennium, and the anticipated total value of all contracts for the upcoming biennium.

Sec. 3. Minnesota Statutes 1992, section 16B.17, is amended to read:

16B.17 [CONSULTANTS AND PROFESSIONAL OR TECHNICAL SERVICES.]

Subdivision 1. [TERMS.] For the purposes of this section, the following terms have the meanings given them:

(a) [CONSULTANT SERVICES.] “Consultant services” “professional or technical services” means services ~~which~~ that are intellectual in character; ~~which~~ that do not involve the provision of supplies or materials; ~~which~~ that include consultation analysis, evaluation, prediction, planning, or recommendation; and ~~which~~ that result in the production of a report or the completion of a task.

(b) [PROFESSIONAL AND TECHNICAL SERVICES.] “Professional and technical services” means services which are predominantly intellectual in character; ~~which do not involve the provision of supplies or materials; and in which the final result is the completion of a task rather than analysis, evaluation, prediction, planning, or recommendation.~~

Subd. 2. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND OR TECHNICAL SERVICES CONTRACTS.] Before approving a proposed state contract for consultant services or professional and or technical services the commissioner must determine, at least, that:

(1) all provisions of section 16B.19 and subdivision 3 of this section have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency’s achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; ~~and~~

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; ~~and~~

(7) the combined contract and its amendments will not extend for more than five years.

Subd. 3. [DUTIES OF CONTRACTING AGENCY.] Before an agency may seek approval of a ~~consultant or professional and or~~ technical services contract valued in excess of \$5,000, it must certify to the commissioner that:

(1) *the agency has publicized the contract by posting notices at appropriate worksites within agencies and has made reasonable efforts to determine that no state employee, including an employee outside the contracting agency, is able to perform the services called for by the contract;*

(2) *the normal competitive bidding mechanisms will not provide for adequate performance of the services;*

(3) ~~the services are not available as a product of a prior consultant or professional and technical services contract, and~~ the contractor has certified that the product of the services will be original in character;

(4) *reasonable efforts were made to publicize the availability of the contract to the public;*

(5) *the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract; and*

(6) *the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function; the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services; and*

(7) *the agency will not allow the contractor to begin work before funds are fully encumbered.*

The agency certification must provide detail on how the agency complied with this subdivision. In particular, the agency must describe how it complied with clauses (1) and (4) and what steps it has taken to verify the competence of the proposed contractor.

Subd. 3a. [RENEWALS.] *The renewal of a professional or technical contract must comply with all requirements, including notice, required for the original contract. A renewal contract must be identified as such. All notices and reports on a renewal contract must state the date of the original contract and the amount paid previously under the contract.*

Subd. 4. [REPORTS.] (a) *The commissioner shall submit to the governor and the legislature legislative reference library a monthly listing of all contracts for consultant services and for professional and or technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly and annual reports summarizing the contract review activities of the department during the preceding quarter.*

(b) The monthly, quarterly, and annual reports must:

(1) be sorted by agency and by contractor;

(2) show the aggregate value of contracts issued by each agency and issued to each contractor;

(3) distinguish between contracts that are being issued for the first time and contracts that are being renewed;

(4) state the termination date of each contract; and

(5) categorize contracts according to subject matter, including topics such as contracts for training, contracts for research and opinions, and contracts for computer systems.

(c) Within 30 days of final completion of a contract over \$5,000 covered by this subdivision, the chief executive of the agency entering into the contract must submit a one-page statement to the chairs of the appropriate policy and finance committees or divisions in the legislature. The report must:

(1) summarize the purpose of the contract, including why it was necessary to enter into a contract to further the agency's mission;

(2) evaluate the conclusions reached under the contract and state how these conclusions help the agency to take action to further accomplish its mission; and

(3) state the amount spent on the contract and explain why this amount was a cost-effective way to enable the agency to provide its services or products better or more efficiently.

Subd. 5. [CONTRACT TERMS.] (a) A consultant or technical and professional or technical services contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is to be a written report, no more than three copies of the report, one in camera ready form, shall be submitted to the agency; the agency must obtain copies in the most cost-efficient manner. One of the copies must be filed with the legislative reference library.

(b) The terms of the contract must provide that no more than 90 percent of the amount due under the contract may be paid until the final product has been reviewed by the chief executive of the agency entering into the contract, and the chief executive has certified that the contractor has satisfactorily fulfilled the terms of the contract.

Sec. 4. Minnesota Statutes 1992, section 16B.19, subdivision 2, is amended to read:

Subd. 2. [CONSULTANT, PROFESSIONAL AND OR TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate for awarding to small businesses at least 25 percent of the value of anticipated procurements of that agency for consultant services or professional and or technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall must otherwise comply with section 16B.17.

Sec. 5. Minnesota Statutes 1992, section 16B.19, subdivision 10, is amended to read:

Subd. 10. [APPLICABILITY.] This section does not apply to construction contracts or contracts for consultant, professional, or technical services under section 16B.17 that are financed in whole or in part with federal funds and that are subject to federal disadvantaged business enterprise regulations.

ARTICLE 4

DEPARTMENT OF FINANCE

Section 1. [3.245] [REVENUE AND EXPENDITURE GOALS; IMPLEMENTATION.]

Subdivision 1: [GOALS.] By March 15 of each odd-numbered year, the legislature shall by concurrent resolution adopt revenue and expenditure goals for the next two bienniums. The revenue goals must specify the percent of personal income that should be devoted each to state and local needs during each of the two bienniums and must specify the appropriate mix and rates of income, sales, and property taxes and other revenue sources. The revenue goals must reference measures of projected economic growth contained in the most recent forecast as provided under section 4 and the revenue goals proposed by the governor under section 6. The expenditure goals must include state expenditure ranges by broad program areas, open appropriations and entitlements for each biennium, and local expenditure ranges by major categories of political subdivisions. The expenditure goals must not exceed the revenue goals for the same biennium. The goals must reference the expenditure goals proposed by the governor under section 6.

Subd. 2. [EVEN-NUMBERED YEAR AND SPECIAL SESSIONS.] The governor or the legislature may elect to modify their goals in a subsequent special or even-numbered year regular session. The requirements of subdivision 1 apply, except that within ten days of the start of the session the dates provided in those subdivisions must be modified to be consistent with the planned date of adjournment.

Sec. 2. Minnesota Statutes 1992, section 16A.04, subdivision 1, is amended to read:

Subdivision 1. [TO PREPARE, CONSULT, SUPERVISE.] The commissioner shall prepare the biennial budget and long-term financial plan with four-year projections on revenues and expenditures. The governor shall supervise the preparation unless there is a governor-elect, who then shall provide the supervision.

Sec. 3. Minnesota Statutes 1992, section 16A.10, subdivision 2, is amended to read:

Subd. 2. [BY OCTOBER 4 15 AND NOVEMBER 15.] By October 4 15, an agency must file the following with the commissioner:

- (1) its budget estimates;
- (2) a concise explanation of any requests for increased appropriations, expansion of services, or new activities;
- (3) a statement of work done during the current biennium and proposed for the next biennium; and
- (4) a list of each employee's name, title, and salary.

The commissioner shall prepare and file the budget estimates for an agency failing to file them. By November 15, the commissioner shall send copies of the filed material to the appropriations and finance committees.

Sec. 4. [16A.103] [FORECASTS OF REVENUE AND EXPENDITURES.]

Subdivision 1. [STATE REVENUE AND EXPENDITURES.] In February and November each year, the commissioner shall prepare and deliver to the governor and legislature a forecast of state revenue and expenditures. The forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of inflation and variables outside the control of the legislature. A forecast prepared during the first fiscal year of a biennium must cover that biennium and the next biennium. A forecast prepared during the second fiscal year of a biennium must cover that biennium and the next two bienniums.

Subd. 2. [LOCAL REVENUE.] In February and November each year, the commissioner of revenue shall prepare and deliver to the governor and the legislature forecasts of revenue to be received by school districts as a group, counties as a group, and the group of cities and towns that have a population of more than 2,500. The forecasts must assume the continuation of current laws, projections of valuation changes in real property, and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for property taxes, state and federal aids, local sales taxes, if any, and a single projection for all other revenue for each group of affected local governmental units. As part of the February forecast, the commissioner of revenue shall report to the governor and legislature on which groups of local government units exceeded the revenue and expenditure goals of the governor and legislature in the most recent biennium.

Sec. 5. Minnesota Statutes 1992, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. [WHEN.] The governor shall submit a ~~three-part~~ four-part budget to the legislature. Parts one and two, and three, the budget message and detailed operating budget, and long-term financial plan must be submitted by the fourth Monday in January in each odd-numbered year. Part ~~three~~ four, the detailed recommendations as to capital expenditure, need not be submitted until June 15 September 1.

Sec. 6. Minnesota Statutes 1992, section 16A.11, is amended by adding a subdivision to read:

Subd. 4a. [LONG-TERM FINANCIAL PLAN.] (a) The long-term financial plan is a plan of revenue and expenditures based on the most recent forecasts under section 4 and the governor's determination of state and local needs. The plan is for each of the next two bienniums: It must include revenue goals, expenditure goals for broad program areas, an analysis of structural balance in the budget, and debt capacity guidelines.

(b) The revenue goals must specify the percent of personal income that should be devoted each to state and local needs during each biennium. The goals must reference measures of projected economic growth contained in the most recent forecasts under section 4.

(c) The expenditure goals must include state expenditure ranges by broad program areas, open appropriations and entitlements for each biennium, and local expenditure ranges by major categories of political subdivisions. The expenditure goals must not exceed the revenue goals for the same biennium.

(d) *In order to ensure a more stable financial environment for the state, the plan must provide that each biennium will be structurally balanced; except as provided in paragraph (e). For purposes of this subdivision, "structurally balanced" means that revenues projected for the biennium will equal or exceed projected spending for the same biennium.*

(e) *If a biennial budget in the plan is not structurally balanced because the budget reserve is proposed to be used, the plan must specify how the budget reserve will be restored in the following biennium.*

(f) *The debt capacity guidelines must include at least the following: a limit on the percent of general fund nondedicated revenue to be used for debt service; a limit on the ratio of total general obligation debt compared to total personal income; a limit on the ratio of the total of state general obligation debt, moral obligation debt, state bond guarantees, equipment capital leases, and real estate leases compared to state personal income; specifications for the maturity structure of general obligation debt; and a limit on the total amount of contingent liability the state should assume.*

Sec. 7. Minnesota Statutes 1992, section 16A.14, is amended by adding a subdivision to read:

Subd. 4a. [WORKING PAPERS.] An appropriation working paper does not have the force and effect of law and is not binding on any agency or official regarding the allotment, transfer, or expenditure of all or part of an appropriation, except to the extent that the working paper is set forth in a law.

Sec. 8. Minnesota Statutes 1992, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] (a) *If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall may, with the approval of the governor, and after consulting the legislative advisory commission, reduce unexpended allotments of any prior appropriation or transfer as needed to balance expenditures with revenue. The commissioner may defer or suspend prior statutorily created obligations that would prevent making the reductions.*

(b) *If the reductions in unexpended allotments implemented by the commissioner are inadequate to balance expenditures with revenue, the commissioner shall, with the approval of the governor, and after consulting with the legislative advisory commission, reduce the amount in the budget and cash flow reserve account established in subdivision 6 as needed to balance expenditures with revenue.*

(b) (c) *An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.*

(e) (d) *If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the*

agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) (e) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) (f) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

Sec. 9. Minnesota Statutes 1992, section 124.196, is amended to read:

124.196 [CHANGE IN PAYMENT OF AIDS AND CREDITS.]

If the commissioner of finance determines that modifications in the payment schedule ~~are required to avoid~~ *would reduce the need for* state short-term borrowing, the commissioner of education shall modify payments to school districts according to this section. The modifications shall begin no sooner than September 1 of each fiscal year, and shall remain in effect until no later than May 30 of that same fiscal year. In calculating the payment to a school district pursuant to section 124.195, subdivision 3, the commissioner may subtract the sum specified in that subdivision, plus an additional amount no greater than the following:

(1) the net cash balance in the district's four operating funds on June 30 of the preceding fiscal year; minus

(2) the product of \$150 times the number of actual pupil units in the preceding fiscal year; minus

(3) the amount of payments made by the county treasurer during the preceding fiscal year, pursuant to section 276.11, which is considered revenue for the current school year. However, no additional amount shall be subtracted if the total of the net unappropriated fund balances in the district's four operating funds on June 30 of the preceding fiscal year, is less than the product of \$350 times the number of actual pupil units in the preceding fiscal year. The net cash balance shall include all cash and investments, less certificates of indebtedness outstanding, and orders not paid for want of funds.

A district may appeal the payment schedule established by this section according to the procedures established in section 124.195, subdivision 3a.

Sec. 10. [APPROPRIATION.]

\$120,000 is appropriated from the general fund to the commissioner of revenue for the purposes of this article. \$60,000 is for fiscal year 1994 and \$60,000 is for fiscal year 1995.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to the department of administration; including state licensed facilities in coverage by the state building code; clarifying certain language, changing certain duties of the state building inspector and fee provisions; providing for state financial management reform; appropriating money; amending Minne-

sota Statutes 1992, sections 13B.04; 15.061; 16A.04, subdivision 1; 16A.10, subdivision 2; 16A.11, subdivision 1, and by adding subdivisions; 16A.14, by adding a subdivision; 16A.15, subdivision 1; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6; 16B.32, subdivision 2; 16B.42, subdivisions 1, 2, 3, and 4; 16B.465, subdivisions 3 and 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.60, subdivision 3, and by adding a subdivision; 16B.61, subdivisions 1a and 4; 16B.62; subdivision 1; 16B.66; 16B.70, subdivision 2; 16B.72; 16B.73; 16B.85, subdivision 1; 94.10, subdivision 1; 124.196; 343.01, subdivisions 2, 3, and by adding subdivisions; 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; and 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 514: A bill for an act relating to the environment; providing for passive bioremediation; providing for review of agency employee decisions; increasing membership of petroleum tank release compensation board; establishing a fee schedule of costs or criteria for evaluating reasonableness of costs submitted for reimbursement; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; authorizing board to delegate its reimbursement powers and duties to the commissioner of commerce; requiring a report; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1992, sections 115C.02, subdivisions 10 and 14; 115C.03, by adding subdivisions; 115C.07, subdivisions 1, 2, and 3; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 1, 3, 3a, 3c, and by adding a subdivision; and 115C.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1992, sections 115C.01; 115C.02; 115C.021; 115C.03; 115C.04; 115C.045; 115C.05; 115C.06; 115C.065; 115C.07; 115C.08; 115C.09; 115C.10; 115C.11; and 115C.12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 25, insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 115.061, is amended to read:

115.061 [DUTY TO NOTIFY AND AVOID WATER POLLUTION.]

(a) *Except as provided in paragraph (b)*, it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a)."

Page 2, delete section 3 and insert:

"Sec. 4. Minnesota Statutes 1992, section 115C.03, is amended by adding a subdivision to read:

Subd. 1a. [PASSIVE BIOREMEDIATION.] Passive bioremediation must be used for petroleum tank cleanups whenever an assessment of the site determines that there is a low potential risk to public health and the environment."

Page 3, delete section 5

Page 6, line 20, delete the period

Page 6, delete lines 21 and 22

Page 6, line 23, delete the new language

Page 6, line 24, delete "(c)" and insert "(b)"

Page 10, after line 33, insert:

"Sec. 16. Minnesota Statutes 1992, section 115C.09, is amended by adding a subdivision to read:

Subd. 9. [INSUFFICIENT FUNDS.] The board may not approve an application for reimbursement if there are insufficient funds available to pay the reimbursement."

Page 10, line 36, delete "9" and insert "10"

Page 12, after line 31, insert:

"Sec. 20. [PHASE-IN PROCEDURE.]

In approving applications for reimbursement under Minnesota Statutes, chapter 115C, the petroleum tank release compensation board shall ensure that:

(1) the difference between the total amount of reimbursements approved by the board in fiscal year 1994 and the funds available to pay the reimbursements as of June 30, 1994, is at least 30 percent less than the difference between the total amount of reimbursements approved by the board as of June 30, 1993, and the funds available to pay the reimbursements as of that date; and

(2) the difference between the total amount of reimbursements approved by the board in fiscal year 1995 and the funds available to pay the reimbursements as of June 30, 1995, is at least 70 percent less than the difference between the total amount of reimbursements approved by the board as of June 30, 1993, and the funds available to pay the reimbursements as of that date.

Sec. 21. [APPROPRIATION.]

\$678,000 in fiscal year 1994 and \$618,000 in fiscal year 1995 is appropriated from the petroleum tank release cleanup account in the environmental fund to the commissioner of commerce for providing staff

support to the petroleum tank release compensation board under Minnesota Statutes, section 115C.07, subdivision 2.”

Page 13, line 7, after the first period, insert “Section 16 is effective July 1, 1996.”

Renumber the sections of article 1 in sequence

Page 13, after line 7, insert:

“ARTICLE 2

Section 1. Minnesota Statutes 1992, section 115E.03, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC PREPAREDNESS.] The following persons shall comply with the specific requirements of subdivisions 3 and 4 and section 115E.04:

(1) persons who own or operate a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue;

(2) persons who own or operate trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than ~~100,000~~ 1,000,000 gallons of oil or hazardous substance as cargo in Minnesota;

(3) persons who own or operate railroad car rolling stock transporting an aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota in any calendar month;

(4) persons who own or operate facilities containing ~~100,000~~ 1,000,000 gallons or more of oil or hazardous substance in tank storage at any time;

(5) persons who own or operate facilities where there is transfer of an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substances to or from vessels, tanks, rolling stock, or pipelines, except for facilities where the primary transfer activity is the retail sales of motor fuels;

(6) persons who own or operate hazardous liquid pipeline facilities through which more than 100,000 gallons of oil or hazardous substance is transported in any calendar month; and

(7) persons required to demonstrate preparedness under section 115E.05.

Sec. 2. Minnesota Statutes 1992, section 115E.04, subdivision 1, is amended to read:

Subdivision 1. [PLAN CONTENTS.] Persons required to show specific preparedness under section 115E.03, subdivision 2, shall prepare and maintain a prevention and response plan for a worst case discharge. *Except as provided in subdivisions 2a and 2b*, the plan must:

(1) describe how it is consistent with the requirements of the national or area contingency plans developed under the Oil Pollution Act of 1990;

(2) describe the measures taken to prevent discharges from occurring, including prevention of a worst case discharge, prevention of discharges of

lesser magnitude, and prevention of discharges similar to those that have occurred from the vessel or facility during its history of operation;

(3) identify the individual or individuals having full authority to implement response actions, and those individuals' qualifications and titles;

(4) identify how communication and incident command relationships will be established between the individuals in command of a vessel or facility response and the following persons:

(i) individuals in the employ of the owner or operator of the vessel or facility who are responding to the discharge;

(ii) appropriate federal, state, and local officials; and

(iii) other persons providing emergency response equipment and personnel;

(5) describe the facility or vessel and identify the locations and characteristics of potential worst case discharges from the vessel or facility;

(6) identify the means under section 115E.03, subdivision 4, that will be used to satisfy the requirement to have adequate equipment and personnel to respond to a worst case discharge;

(7) contain copies of contracts, correspondence, or other documents showing that adequate personnel and equipment as described in section 115E.03, subdivision 4, will be available to respond to a worst case discharge;

(8) describe the actions that will be taken by the persons described in section 115E.03, subdivision 4, in the event of a worst case discharge; and

(9) describe the training, equipment testing, periodic drills, and unannounced drills that will be used to ensure that the persons and equipment described in section 115E.03, subdivision 4, are ready for response.

A plan submitted to the federal government under the Oil Pollution Act of 1990 or prepared under other law may be used to satisfy the requirements in clauses (1) to (9) provided that the information required by clauses (1) to (9) is included in the plan.

Sec. 3. Minnesota Statutes 1992, section 115E.04, is amended by adding a subdivision to read:

Subd. 2a. [ABBREVIATED PLAN FOR TRUCKS.] A person who owns or operates trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than 10,000 gallons of oil or hazardous substances as cargo in Minnesota shall prepare and maintain an abbreviated prevention and response plan. The abbreviated plan must include:

(1) name and business and after business telephone numbers of the individual or individuals having full authority to implement response action;

(2) telephone number of the local emergency response organization if that organization cannot be reached by calling 911;

(3) a description of the type of rolling stock and the worst case discharge that could occur from such equipment;

(4) telephone number of the state duty officer;

(5) telephone number of an individual or company with adequate personnel and equipment available to respond to a discharge, with evidence that prearrangements for such response have been made;

(6) a description of the training that the owner or operator's truck or cargo trailer operators have received in handling hazardous materials and the emergency response information available in the vehicle;

(7) a description of the action that will be taken by a truck owner or operator in response to a discharge; and

(8) the response plan must be retained on file at the person's principal place of business.

Sec. 4. Minnesota Statutes 1992, section 115E.04, is amended by adding a subdivision to read:

Subd. 2b. [ABBREVIATED PLAN FOR TANK FACILITIES WITH BETWEEN 10,000 AND 1,000,000 GALLONS OF STORAGE.] A person who owns or operates a facility that stores more than 10,000 gallons but less than 1,000,000 gallons of oil or hazardous substances shall prepare and maintain an abbreviated prevention and response plan. The abbreviated plan must include:

(1) name and business and after business telephone numbers of the individual or individuals having full authority to implement response action;

(2) telephone number of the local emergency response organization if that organization cannot be reached by calling 911;

(3) a description of the facility, tank capacities, spill prevention and secondary containment measures at the facility, and the worse case discharge that could occur at the facility;

(4) telephone number of the state duty officer;

(5) documentation that adequate personnel and equipment will be available to respond to a discharge, with evidence that prearrangements for such response have been made;

(6) a description of the training employees at the facility receive in handling hazardous materials and in emergency response information;

(7) a description of the action that will be taken by the facility owner or operator in response to a discharge; and

(8) the response plan must be retained on file at the person's principal place of business.

Sec. 5. [115E.11] [PENALTIES.]

The commissioner shall deposit any penalties for violations of this chapter or section 115.061 which are related to petroleum discharges or threatened discharges into the petroleum tank release cleanup account.

Sec. 6. [115E.13] [PIPELINE AND RAIL FUELING FACILITY FOLLOW-UP.]

Subdivision 1. [PIPELINE DISCHARGE SITE NOTIFICATION.] (a) By January 1, 1994, owners or operators of hazardous liquid pipeline facilities may provide a written report to the pollution control agency of the leaks,

ruptures, breaks, repairs, maintenance problems, or other incidents in which petroleum was or may have been discharged prior to the effective date of this act from the pipeline or pipeline pump stations within the state. The agency shall consider the following in determining the acceptability of the report:

- (1) the discharge or discharge discovery date;
- (2) pipeline milepost and approximate legal description of the incident location;
- (3) known circumstances of the discharge or possible discharge;
- (4) the approximate volume of the discharge; and
- (5) a description of the cleanup undertaken by the owner or operator and by previous owners or operators.

(b) In compiling the report, the owner or operator shall attempt, to the extent reasonably possible, to:

- (1) examine reports made to the United States Department of Transportation Office of Pipeline Safety and predecessor offices;
- (2) examine files of cleanups undertaken by the owner or operator and the files of predecessor owners or operators which may be in the possession of or available to the owner or operator;
- (3) examine the pipeline charts and maintenance records to identify sections of pipeline that have been repaired or replaced since original installation and determine whether each repair or replacement was associated with a discharge; and
- (4) interview employees or former employees who have knowledge of the historic operation of the pipeline.

Subd. 2. [RAIL REFUELING FACILITY NOTIFICATION.] (a) By January 1, 1994, owners or operators of railroads that transfer fuel into railroad engines may provide a written report to the pollution control agency of the facilities at which the owner or operator and predecessor owners or operators have refueled railroad engines within the state prior to the effective date of this act. The agency shall consider the following in determining the acceptability of the report:

- (1) the approximate legal description of the facility location;
- (2) the years in which the facility has operated;
- (3) the approximate yearly volume of refueling done at the facility;
- (4) whether an investigation of petroleum contamination has ever been done at the facility;
- (5) whether soil or track ballast visibly contaminated by fuel is present at the facility;
- (6) whether fueling at the facility is done from a fixed location or via mobile tanks;
- (7) whether track pans or other means to contain fueling spills are in place at the facility and the approximate date of installation; and

(8) a description of any fuel cleanups undertaken at the facility by the owner or operator and by previous owners or operators.

(b) In compiling the report the owner or operator shall attempt, to the extent reasonably possible, to:

(1) examine records of cleanups undertaken by the owner or operator and those records of predecessor owners or operators which may be in the possession of or available to the owner or operator;

(2) examine the fueling and land ownership records of the owner or operator and those records of predecessor owners or operators which may be in the possession of or available to the owner or operator; and

(3) interview employees or former employees who have knowledge of the past operation of the railroad.

Subd. 3. [LIMITING PENALTIES WHEN APPROPRIATE ACTION TAKEN.] (a) For discharge sites or facilities listed in reports submitted under subdivision 1, paragraph (a), or subdivision 2, paragraph (a), the agency shall not seek or impose penalties when an owner or operator who has failed to report or recover the discharge under section 115.061, takes appropriate action to report and correct confirmed discharges under this section.

(b) This section does not affect:

(1) the obligation of the owner or operator under section 115.061 to recover discharged material once it has been discovered; or

(2) the authority of the agency, commissioner, or attorney general to order or compel investigations or corrective actions or to obtain information regarding discharges or releases.

Sec. 7. [APPROPRIATION.]

(a) \$200,000 in fiscal year 1994 and \$237,000 in fiscal year 1995 is appropriated from the petroleum tank release cleanup account in the environmental fund to the commissioner of the pollution control agency for the purposes of Minnesota Statutes, chapter 115E.

(b) Of the amounts appropriated from the environmental fund to the commissioner of the pollution control agency for the biennium ending June 30, 1995, \$125,000 in fiscal year 1994 and \$177,000 in fiscal year 1995 is available for the purposes of Minnesota Statutes, chapter 115E.

(c) Of the amounts appropriated from the environmental fund to the commissioner of the pollution control agency for the biennium ending June 30, 1995, the commissioner of the pollution control agency shall transfer \$70,000 in fiscal year 1994 and \$58,000 in fiscal year 1995 to the commissioner of natural resources for the purposes of Minnesota Statutes, chapter 115E."

Amend the title as follows:

Page 1, line 14, after "sections" insert "115.061;"

Page 1, line 16, delete "1, 2," and insert "2"

Page 1, line 18, delete "a"

Page 1, line 19, delete "subdivision; and" and insert "subdivisions;" and after the second semicolon, insert "115E.03, subdivision 2; and 115E.04, subdivision 1, and by adding subdivisions;"

Page 1, line 20, delete "chapter" and insert "chapters"

Page 1, line 21, after the semicolon, insert "and 115E;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 683: A bill for an act relating to insurance; credit; permitting the sale of credit involuntary unemployment insurance; amending Minnesota Statutes 1992, sections 47.016, subdivision 1; 48.185, subdivision 4; 52.04, subdivision 1; 56.125, subdivision 3; 56.155, subdivision 1; 60K.03, subdivision 7; 60K.19, subdivision 3; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, by adding a subdivision; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, 4, and by adding subdivisions; 62B.09; subdivision 3; 62B.11; 62B.12; and 72A.20, subdivision 27.

Reports the same back with the recommendation that the bill be amended as follows:

Page 19, line 21, strike "ENFORCEMENT" and insert "RULEMAKING"

Page 19, lines 24 to 26, delete the new language

Page 19, line 27, delete the new language and strike the old language

Page 19, lines 28 to 35, strike the old language

Page 19, line 36, strike "stay has been ordered by a court of competent jurisdiction."

Page 20, line 5, after the stricken period, insert "*The commissioner shall promulgate rules to establish rates for credit involuntary unemployment insurance prior to its issuance, and to enact the other provisions of this act. The commissioner is not obligated to promulgate a rule unless and until four or more insurers who plan to write credit involuntary unemployment insurance in Minnesota agree to pay for the cost of the promulgation of any rules authorized by this section. Companies selling credit involuntary unemployment insurance shall be assessed by the department to pay the costs of rulemaking.*

Moneys collected pursuant to this provision must be deposited in the state treasury and credited to a special account and are appropriated to the commissioner for the rulemaking purposes authorized by this section.

For the purposes of chapter 62B, any insurer authorized to offer the coverage specified by section 60A.06, subdivision 1, clause (4), shall be authorized to sell credit involuntary unemployment insurance pursuant to this chapter."

Page 20, delete section 27

Page 21, line 1, delete "27" and insert "26"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 579, 1501, 1314, 545, 154, 860, 1524, 861, 908, 867, 553 and 683 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1436, 1225, 1060, 984 and 514 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 1074: A bill for an act relating to natural resources; management of state-owned lands by the department of natural resources; deletion of land from Moose Lake state recreation area; private use of state trails; appropriating money; amending Minnesota Statutes 1992, sections 84.0273; 84.632; 85.015, by adding a subdivision; 86A.05, subdivision 14; 92.06, subdivision 1; 92.14, subdivision 2; 92.19; 92.29; 92.67, subdivision 5; 94.10; 94.11; 94.13; 94.343, subdivision 3; 94.348, subdivision 2; and 97A.135, subdivision 2, and by adding a subdivision.

Senate File No. 1074 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1993

Mr. Price moved that the Senate do not concur in the amendments by the House to S.F. No. 1074, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

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. 413: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in St. Louis county; authorizing the conveyance of certain Willmar regional treatment center land to Kandiyohi county.

Senate File No. 413 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 8, 1993

Mr. Janezich moved that the Senate do not concur in the amendments by the House to S.F. No. 413, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1114:

H.F. No. 1114: A bill for an act relating to game and fish; stamp design; training of hunting dogs; clothing requirements; raccoon season; rough fish taking by nonresidents; muskie size limits; taking of mussels; advance of matching funds; financing waterfowl development; defining "undressed bird"; regulating the taking of deer; regulating seasons on muskrat, mink, otter, and beaver; required license to take and condition of fish brought into the state from Canada; authorizing suspension of requirements upon action by Canadian authorities; amending Minnesota Statutes 1992, sections 84.085, by adding a subdivision; 97A.015, subdivision 49, and by adding a subdivision; 97A.045, subdivision 7; 97A.091, subdivision 2; 97A.531; 97B.005, subdivisions 2 and 3; 97B.041; 97B.071; 97B.621, subdivision 1; 97B.911; 97B.915; 97B.921; 975.925; 97C.375; 97C.405; and 97C.701, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1992, sections 97A.541; 97C.701, subdivisions 3, 4, and 5; 97C.705; and 97C.711.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Milbert; Anderson, I. and Weaver have been appointed as such committee on the part of the House.

House File No. 1114 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1993

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1114, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 574:

H.F. No. 574: A bill for an act relating to retirement; administrative changes, age discrimination act compliance, death-while-active surviving spouse benefit improvements by the Minnesota state retirement system, the public employees retirement association, and teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, and 7; 352.115, subdivision 8; 352.12, subdivisions 1, 2, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivisions 3 and 11; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.105; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding subdivisions; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1 and 5a; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivisions 1 and 2; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352D.05, subdivision 5; and 353.656, subdivision 6.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Reding, Kahn, Knickerbocker, Greiling and Johnson, R. have been appointed as such committee on the part of the House.

House File No. 574 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1993

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 574, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1039:

H.F. No. 1039: A bill for an act relating to auctioneers; prohibiting certain cities and towns from requiring additional licenses of persons licensed as auctioneers by a county; proposing coding for new law in Minnesota Statutes, chapter 330.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Garcia; Brown, C. and Gutknecht have been appointed as such committee on the part of the House.

House File No. 1039 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1993

Mr. Bertram moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1039, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1585:

H.F. No. 1585: A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; regulating crimes in certain shopping areas; making knowing transfer of HIV virus a felony; increasing parental liability; limiting right to refuse blood testing; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144.765; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.01, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivisions 1, 2, and 3; 152.023, subdivisions 2 and 3; 152.024, subdivisions 1 and 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346;

169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 540.18, subdivision 1; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivisions 1 and 2; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivisions 1, 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795; subdivision 2; 611A.57, subdivision 1; and 629.40, subdivision 5.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Skoglund, Bishop, Carruthers, McGuire and Brown, C. have been appointed as such committee on the part of the House.

House File No. 1585 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1993

Mr. Kelly moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1585, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Cohen moved that S.F. No. 615, No. 68 on General Orders, be stricken and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1275: Messrs. Mondale, Merriam and Ms. Wiener.

H.F. No. 454: Ms. Runbeck, Messrs. Riveness and Beckman.

S.F. No. 1105: Messrs. Betzold, Hottinger and Oliver.

H.F. No. 1178: Ms. Berglin, Mr. Benson, D.D.; Meses. Piper, Kiscaden and Mr. Luther.

H.F. No. 1133: Ms. Johnson, J.B.; Mr. Novak, Ms. Anderson, Messrs. Dille and Chandler.

S.F. No. 1046: Ms. Pappas, Mr. Hottinger and Ms. Kiscaden.

H.F. No. 129: Mr. Betzold, Meses. Reichgott and Robertson.

H.F. No. 994: Mr. Spear, Ms. Kiscaden, Messrs. Finn, Knutson and Ms. Piper.

H.F. No. 1205: Messrs. Kelly, Cohen and Ms. Pappas.

H.F. No. 584: Ms. Johnson, J.B.; Messrs. Marty and Frederickson.

H.F. No. 931: Messrs. Bertram, Morse and Larson.

S.F. No. 1074: Messrs. Price, Merriam and Morse.

S.F. No. 413: Messrs. Janezich, Finn and Novak.

H.F. No. 988: Messrs. Stumpf, Lessard and Frederickson.

H.F. No. 1151: Messrs. Langseth, Stumpf and Berg.

H.F. No. 1114: Messrs. Berg, Lessard and Mrs. Pariseau.

H.F. No. 1039: Messrs. Bertram, Stumpf and Dille.

H.F. No. 1585: Messrs. Kelly, Spear, Meses. Anderson, Ranum and Mr. McGowan.

H.F. No. 574: Messrs. Stumpf, Riveness, Terwilliger, Morse and Larson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Luther, Meses. Wiener, Berglin, Messrs. Merriam and Benson, D.D. introduced—

S.F. No. 1629: A bill for an act relating to health care; establishing a grant program for research on women's health issues; appropriating money.

Referred to the Committee on Health Care.

Messrs. Mondale, Finn, Hottinger, Ms. Ranum and Mr. Chandler introduced—

S.F. No. 1630: A bill for an act relating to commerce; consumer rights; giving the attorney general certain investigatory and enforcement powers under the human rights act; requiring the attorney general to provide prosecution assistance to certain counties; prohibiting certain commercial telephone solicitations; requiring the commissioner of human rights to adopt rules for marketing public housing; applying the cold weather rule to propane users; requiring a study on protections for natural gas users; prescribing penalties; amending Minnesota Statutes 1992, sections 8.15; 8.31, subdivisions 1, 3, 3a, and by adding a subdivision; 216B.01; 363.032; 363.06, subdivision 1; 363.061, by adding a subdivision; 363.121; and 363.14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 216B; 325G; and 363.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Hottinger, Kelly, Meses. Kiscaden, Robertson and Reichgott introduced—

S.F. No. 1631: A bill for an act relating to civil actions; providing that proof of a person's failure to use seat belts is admissible in litigation; amending Minnesota Statutes 1992, sections 169.685, subdivision 4; and 604.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Morse, Stumpf, Pogemiller, Riveness and Mrs. Benson, J.E. introduced—

S.F. No. 1632: A bill for an act relating to retirement; providing for a transfer of certain previously forfeited contribution amounts for certain individual retirement account plan members; amending Minnesota Statutes 1992, section 354B.02, subdivision 2.

Referred to the Committee on Governmental Operations and Reform.

MEMBERS EXCUSED

Ms. Pappas was excused from the Session of today from 9:00 to 10:40 a.m. Mr. Janezich was excused from the Session of today from 9:00 to 10:30 a.m. Ms. Johnson, J.B. was excused from the Session of today from 9:30 to 9:35 a.m. Mr. Dille was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Johnson, D.J. was excused from the Session of today from 9:00 to 9:35 a.m. and 2:00 to 2:15 p.m. Mr. Lessard was excused from the Session of today from 2:30 to 2:40 p.m. Ms. Reichgott and Mr. Novak were excused from the Session of today from 9:00 to 9:30 a.m. Mr. Metzen was excused from the Session of today from 11:20 a.m. to 12:25 p.m. Mr. Beckman was excused from the Session of today from 9:00 to 11:00 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:30 a.m., Tuesday, May 11, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate